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SUNDAY BASEBALL
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International Herald Tribune

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Germans Capture Soccer's World Cup in Foul-Marred Final

Daniel Garcia/Agence France-Presse

WORLD CUP GRANDSTAND

Andreas Brehme, scoring on a penalty kick about eight minutes before the match ended, gave the West Germans a third World Cup championship. Klaus Augenthaler (photo) was tripped up by the Argentine goalie, Sergio Goycochea, and the losing defending champions had two men ejected in the second half. They were the first players ever to be sent off in a final.

World Cup report: Pages 14 and 15

Allies Divided Over Breadth Of Economic Aid to Soviets

By Lawrence Malkin
International Herald Tribune

HOUSTON — In the aftermath of NATO's declaration that the Cold War is over, leaders of the seven largest industrial democracies began to gather here Sunday for their annual economic summit meeting, divided over how to deal with Soviet economic disintegration and similar problems that now supplant military threats as overriding concerns.

Playing host in the city he calls his political home, President George Bush finds Europe's three continental powers — West Germany, France and Italy — brimming with confidence in their own economic prospects.

They question his policies of freeing world agricultural trade from subsidies and seeking more study of the environmental problem of global warming before spending money to act against it. Both issues will be discussed in the three-day meeting starting Monday, although no question is expected to be debated through to a unified position.

The president has brought them to Houston in steamy temperatures of 90 degrees Fahrenheit (32 centigrade) and higher in hopes of focusing the world's attention on this oil city's revival from the oil crash of the 1970s. Houston threw parties for the visitors in the art museums endowed by its oil barons, the most elegant of which is the De Menil collection of the French-American Schlumberger dynasty.

The leaders on hand convened Sunday evening at an air-conditioned arena for a rodeo and barbecue to stoke up for the formal sessions starting Monday afternoon. And the Grand Ol' Opry left its hometown of Nashville to be here for a special broadcast, featuring Minnie Pearl and Loretta Lynn.

Earlier in the day, Mr. Bush defied the heat and went jogging, saying, "It's not bad yet. Not bad."

Because of the heat, outdoor photo sessions of the seven have been curtailed lest the sun take its toll on participants less used to the Texas climate. The conference is being held at Rice University.

In the meetings, the continental European powers stand ready to pursue their own initiative outside the traditional alliance to bail out a troubled Soviet Union even if an indebted America continues to stand aside. The United States contends that aid to the Soviet Union might be wasted as was money to an unreformed Eastern Europe in the 1970s.

Making the case for aid to Moscow, meantime, was the Soviet foreign ministry spokesman, Gennadi I. Gerasimov, who was interviewed on a nationally televised news program in the United States. Mr. Gerasimov said his country was taking steps demanded by Mr. Bush. The Soviet spokesman said the military was being cut down to size and that Moscow's huge subsidies to Cuba would "fade away, but not tomorrow."

Mr. Bush can expect some sup-

See SUMMIT, Page 5

Kiosk

Irish Hostage May Be Freed

BEIRUT (Reuters) — Lebanese kidnappers are preparing to release another Western hostage, according to pro-Iranian sources, who said Sunday that the hostage was unlikely to be freed before Tuesday.

A pro-Syrian militia source said that Brian Keenan, who has dual British and Irish nationality, would go free following intensive contacts between the Irish government and Iran and Syria.

General News

Douglas Hurd, British foreign secretary, says that he expects Moscow to accept a united Germany in NATO. Page 2.

Poland's prime minister, Tadeusz Mazowiecki, and Solidarity's leader, Lech Walesa, remain at odds. Page 2.

Business/Finance

China posted a trade surplus of $2.56 billion in the first half of the year. Page 9.

The cost of German union is likely to be higher than many people anticipate. Page 9.

Crossword Page 14.
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Kevin Lamarque/Reuters

EDBERG TRIUMPHS AT WIMBLEDON — Stefan Edberg of Sweden defeated Boris Becker of West Germany on Sunday in five sets to capture his second Wimbledon title. Page 17.

U.S. Tells Kaifu It Won't Block China Aid

By Maureen Dowd
New York Times Service

HOUSTON — President George Bush has told Prime Minister Toshiki Kaifu that the administration will not oppose Japanese plans to resume its multibillion-dollar program of aid to China.

But he urged Mr. Kaifu to slow down the aid plan and limit its scope.

Mr. Bush's meeting Saturday with Mr. Kaifu, coming a day after the NATO summit meeting at which the alliance declared it no longer viewed Eastern Europe and the Soviet Union as adversaries, reflected the approach the United States intends to adopt at the meeting of the Group of Seven industrial nations that begins in Houston on Monday.

Administration officials said that while the United States would encourage its industrial partners to seek changes in China and the Soviet Union, it accepted that each country must pursue its own foreign-policy objectives without interference from Washington.

The Japanese role is put to the test in Houston. Page 5.

["The president of the United States is not in the business of opposing something that other countries do on a bilateral basis," Secretary of State James A. Baker 3d said Sunday on ABC television.

["The Japanese have certain commitments to the Chinese on something called a 'third-yen loan' and they want to go forward and keep those commitments," he said. "It's not up to the United States to tell them, 'No, you can't do this.'"

[Mr. Bush's national security adviser, Brent Scowcroft, said Sunday in an interview on CNN that the seven leaders would review the decision made at last year's conference in Paris to stop most economic aid to China in retaliation for the crackdown.]

Mr. Bush has come under attack for not taking a harsher stance toward China after the crackdown, and observers said his acquiescence on the Japan loan issue may revive criticism that his policy toward China is too accommodating.

Administration officials said Mr. Bush would also be acquiescent about German aid to the Soviet Union because "the Germans are hoping no one here will put a fly in the ointment as they try to buy Soviet acquiescence on German unity."

Marlin Fitzwater, Mr. Bush's spokesman, said earlier that Mr. Bush had sent a cable to President Mikhail S. Gorbachev as he returned from the NATO summit meeting in London.

"This was a rather lengthy cable, which gave the president's personal reflections on the summit, expressed his support for the reforms that President Gorbachev is undertaking and just gave a little personal emphasis to the conclusions of the NATO summit in terms of the changing nature of the alliance and

See CHINA, Page 5

Gorbachev Calms Party Congress

By Bill Keller
New York Times Service

MOSCOW — At the halfway point of the Communist Party congress, President Mikhail S. Gorbachev has managed to bring the unruly gathering under control, heading off a series of up-or-down votes on his leadership team that had threatened to become a vote of confidence on his programs.

After the congress voted to rule individually on the performance of each member of the Politburo, the delegates reversed the vote under Mr. Gorbachev's direction and decided the evaluation would be collective.

The urge to find scapegoats for the Communist Party's declining authority subsided after two of Mr. Gorbachev's lieutenants announced Saturday that they planned to leave the party leadership anyway, and after Mr. Gorbachev warned that individual votes would tear the party apart.

"If you want to bury the party, to

See SOVIETS, Page 5

Reuter

Mr. Gorbachev posing Sunday with workers' and peasants' representatives at the party congress.

Albania Tells Refugees They May Leave

Compiled by Our Staff From Dispatches

VIENNA — With an official promise that they will be allowed to leave, Albanians seeking to flee the country began filling in passport application forms Sunday at three embassies in Tirana, diplomats said.

The Albanian government accused Western embassies in Tirana on Sunday of delaying visas to the refugees, saying it had agreed to let them go West and the holdup was creating tensions.

In apparent response to the refugee crisis, Albania's leadership also announced a shake-up Saturday of the Politburo and Central Committee, which analysts said clearly strengthened the moderate tendency in the government.

The government also said Saturday that all citizens of Albania, one of the harshest and most closed societies in the world since the Communists came to power in 1945, now had the right to hold passports.

A definite plan to evacuate the would-be migrants has still not materialized, a French Foreign Ministry spokesman said. But many diplomats expected a breakthrough in negotiations soon.

In Geneva on Sunday, the UN secretary-general, Javier Perez de Cuellar, said he has sent a Swedish UN diplomat to Tirana to obtain firsthand information on the situation.

As many as 6,000 people are now in the missions. Many have climbed walls and crashed through embassy gates, some under fire from security forces, to gain entry.

Police and troops sealed off Tirana's diplomatic quarter on Sunday. It appeared security forces had been ordered to keep a low profile and avoid confrontation as the leadership seeks to weather the storm.

The passport formalities, including the completion of forms and taking of identity photos, were expected to continue Monday, the officials of West Germany, Italy and Hungary said.

Several diplomats speaking from

See ALBANIA, Page 5

In the New Soviet Union, Red Tape Still Strangles the Bozhko Family Potato Plot

By Michael Dobbs
Washington Post Service

RYBINSK, U.S.S.R. — "I used to believe in Gorbachev," said Alexander Bozhko, gazing out at the 30 acres of land that he had farmed for the past 18 months before giving up in disgust. "Now I have understood that all he does is talk."

What used to be the family potato plot is already turning to weeds. A cattle shed that Mr. Bozhko built with his own hands will soon be dismantled as the neighboring state farm reclaims its land. He is handing over his three tractors to a local cooperative.

Mr. Bozhko, the grandson of a private farmer whose land was expropriated by Stalin, is a casualty of a series of half-hearted agricultural revisions advocated by President Mikhail S. Gorbachev. His disillusionment is a reminder of the most glaring economic problem facing the world's second superpower: its continuing inability to feed itself.

"I am ashamed for my country that after 70 years of Communist rule we have got such destitution," said Mr.

Kohl and Mitterrand plan to press for an immediate Western financial aid package for Moscow. Page 5.

Bozhko, who, encouraged by Mr. Gorbachev's programs, was one of the first people to attempt to start up a private farm in the Rybinsk region, 200 miles (320 kilometers) northeast of Moscow.

"When we were offered the chance to farm our own land, we seized it eagerly," he said. "But we soon discovered that there were so many restrictions that it was impossible to continue."

The difficulties faced by Mr. Bozhko and other would-be Soviet entrepreneurs dramatize a question that will occupy Western leaders when they meet Monday in Houston: Is it worth channeling massive aid to the Soviet Union before it has fully abandoned the discredited system of central planning in favor of a market economy?

One argument made frequently by Kremlin officials is that the Soviet Union needs Western credits to minimize the risk of social turmoil at a time of rapid economic change. Soviet workers already are alarmed by the prospect of rising prices and unemployment. According to the argument, if nothing is done to ease the transition to a free market, the result could be a political explosion that would sweep away Mr. Gorbachev's regime.

"We won't be able to carry out our economic reforms smoothly unless we get credits," said the Moscow Communist Party chief, Yuri Prokofiev. "The West should have as much an interest as we have in providing us with such assistance. The idea of a huge country crammed with weapons that is on the verge of chaos cannot be pleasing to anyone."

The counterargument, voiced most forcefully by Prime Minister Margaret Thatcher of Britain, is that Western credits will be wasted in the absence of rational economic mechanisms. Pouring more money into state factories and farms that lose money does not make sense.

Over six decades, the collectivized system of agriculture has turned the Soviet Union from a net exporter of grain to the world's largest importer.

Every year the Kremlin spends about $8 billion on grain purchases from the West. Such vast expenditures have tied up much of the hard currency Moscow earns from its oil exports — money that could be spent importing consumer goods or capital equipment.

Mr. Gorbachev has fought a running battle with conservatives in the Politburo to implement new forms of land ownership. In the fall of 1988, he launched the idea of allowing peasants to lease land for extended periods. The state's propaganda machine was cranked into motion, and the newspapers were full of optimistic reports of family farms being formed.

The drive to convert much of Soviet agriculture to leaseholding is a prime example of an economic change

See FARM, Page 5

New NATO Strategy Poses Major Test for Military Planners

By Michael R. Gordon
New York Times Service

WASHINGTON — The new NATO military strategy, announced in London, marks a break with 40 years of doctrine, and translating it into sound plans will pose a major test for the alliance.

"It is the biggest military challenge at the time of the lowest military threat," said Phillip A. Karber, an expert on conventional forces at BDM Corporation, a research concern that works for the Pentagon.

For years, the North Atlantic Treaty Organization has been based on a "layer cake" strategy, in which army divisions were stationed next to each other close to the front lines and organized in national corps.

Inside these corps, each nation provided for its own communications and logistics and applied its own principles of defense.

But because of the receding Soviet threat, as well as the politics of German unification, the NATO heads of state said in their communiqué issued Friday that the alliance "will rely increasingly on multinational corps made up of national units."

The presence of NATO troops near the front lines will be reduced, and the remaining forces will be smaller and highly mobile.

The new conventional-arms defense, NATO says, will be undergirded by a nuclear doctrine in which nuclear systems are declared "truly weapons of last resort."

In keeping with the doctrine, the alliance proposed the withdrawal of all American nuclear artillery shells from Europe in exchange for reciprocal action by Moscow.

The decline of the Soviet threat has reduced the need to maintain NATO troops close to the front lines, and with the pending unification of Germany, the definition of the front itself is changing.

Furthermore, all the NATO nations anticipate sizable cuts in their conventional forces.

Such reductions make it difficult to station forces across a broad front and make necessary the shift to more mobile units.

The move to create new multinational units is largely intended to make the presence of American and other foreign forces in West Germany more palatable to the people there.

The alliance can point to such units to counter German critics, who complain that NATO troops are occupation forces, proponents of the idea say.

"In the past, NATO's continuous 'layer cake' defense covered the West German frontier from the Baltic to the Austrian border," said Edward L. Warner, a military specialist at Rand Corporation, the government-financed research organization.

"With the reduced threat confined to a smaller area, the time is ripe to shift toward multinational formations and a smaller, more flexible posture," Mr. Warner said.

But turning these broad concepts into military plans will not be easy, experts note.

Multinational troop units, for example, would require the alliance to take new steps to standardize its logistics, communications equipment and tactical doctrine — all questions that until now have often been sidestepped, with individual countries responsible for defending a given sector of terrain.

NATO already has some multinational units but they are on a relatively small scale.

One important question to be settled involves the circumstances under which military commanders can ask political authorities to use nuclear weapons.

Tensions persist between the United States and Britain on this matter, despite the compromise language agreed to at the NATO summit meeting.

NATO leaders, reflecting terminology proposed by President George Bush, said the alliance would regard its nuclear arms as "truly weapons of last resort."

The American language was intended to signal that the alliance was reducing its dependence on atomic weapons while maintaining it has the right to use nuclear weapons first in response to a Soviet conventional attack.

But at the insistence of Britain, the NATO communiqué also said "there are no circumstances in which nuclear retaliation in response to military action might be discounted."

Aides to Prime Minister Margaret Thatcher of Britain suggested that language would leave the Soviet Union in sufficient doubt as to when and where nuclear weapons might be used and thus help insure an effective deterrent.

Such differences are bound to spill over into the West's efforts to draft new guidance for its military commanders.

And NATO's call for a nuclear strategy based on weapons of "last resort" is already prompting debate among experts outside government, who question whether the new doctrine is consistent with the alliance's nuclear-weapons plans.

Washington and London are pushing for the deployment of a new nuclear missile, the TASM, which would be mounted on planes to be kept on airfields in Western Europe. TASM stands for the Tactical Air-to-Surface Missile.

But Donald R. Cotter, an assistant on atomic energy matters to three American defense secretaries, said the TASM missiles could not truly be considered "last resort" weapons, because they would be based at airfields that NATO's top military commander has said are vulnerable to attack.

Nuclear weapons of "last resort," Mr. Cotter said, must be able to withstand a major conventional-weapons attack so there is no pressure to fire them early in a conflict, before the weapons are destroyed.

Mr. Cotter said the mobile, ground-launched cruise missiles banned by the 1987 Soviet-American missile treaty would have made a more suitable "last resort" weapon. Meantime, the very least NATO planners must do, in light of the new concept, is to reduce the vulnerability of the TASM missiles.

Hurd Sees Soviet Acceptance of United Germany in Alliance

NATO leaders, at their summit meeting in London, invited the Soviet Union to work with the Western alliance. The British foreign secretary, Douglas Hurd, spoke with Joseph Fitchett of the International Herald Tribune about the impact of NATO's promised changes.

Q. Will the summit's program for "a transformed alliance" dissolve Soviet resistance to seeing a united Germany belong to NATO?

A. I think it will. Certainly the London declaration ought to persuade the Soviets, who have been sending signals by the dozens of their interest in a Western gesture, and help Mr. Gorbachev convince the doubters that NATO is an organization of a kind that makes it better, from the Soviet point of view, for Germany to belong to it.

But I think that the summit also had another importance: it is a turning point in the history of NATO as the basis for Western security cooperation. That is why President Bush was so emphatic that our declaration should not be compiled by officials but written by ministers themselves to get direct language that matched the occasion.

Q. Are you confident that Germans will want to stay in NATO once they have succeeded in reuniting?

A. The kind of NATO which emerged out of our discussions in London is one which all Germans, East and West, of all political parties, will be happy with. They must be because there is no realistic alternative. And there has been no NATO triumphalism, no trampling on the Soviet Union. The summit also showed everyone that there is a strong NATO willingness to negotiate downwards on levels of weaponry.

MONDAY Q&A

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Q. Why did the West Germans agree that there should be special limits on their armed forces?

A. Because they know of the intense Russian preoccupation with this point. The communiqué and the Germans both continue to say that this is part of our negotiations, but they did depart at the summit for the first time to say something specific about Germany. That's a big concession, and one that the Soviet military in particular have been waiting for.

Q. Could the West have made more concessions?

A. Nothing more. Our offer looks forward to a series of discussions that will have to be concluded with the Soviet Union. For instance, on NATO's offer to eliminate our nuclear artillery, Chancellor Kohl was particularly insistent that the Soviet Union would have to take similar steps. So we got this put in, that there should be reciprocity.

Note that we are not doing anything that touches the core of NATO. This means the trans-Atlantic political guarantee involving the integrated military command, stationed forces, American and British and others, on the continent of Europe, with appropriate conventional and nuclear weapons.

Of course, there were alternatives. Communism's fortresses have just crumbled because they didn't have any foundation. I suppose that at most times in history, the successful side would have crowed at the humiliation of those whose ideas have collapsed. We haven't done that. The leadership of President Bush is one reason we haven't done that: it's not his analysis, not his style. The London declaration gets that right: there's no compromise. But we say to people who've taken a tumble in the Cold War, 'look, we're not seeking to humiliate anyone, here's what we are prepared to do in the way of cooperation.'

•

Q. Does this imply a change in the way that NATO governments define Western security?

A. Yes, we will have to manage stability and also defend ourselves against possible new threats. You have to do both now. But there's no contradiction between cooperative security and self-defense. I don't think history's come to an end. There will be potential aggressors. Suppose you had some change in the leadership of the Soviet Union, we'd look amazingly foolish if we had given away our weapons in 1990.

Q. Do you think that NATO's new vision of its role will convince the United States to stay in Europe militarily?

A. I really hope so, otherwise it would be a catastrophe. U.S. troops' remaining is clearly President Bush's intention and commitment. I've never known a time when there was less anti-Americanism in Europe, whether in Britain or on the continent. That's partly to the credit of the Bush administration, which has handled itself well, with increasing skill.

•

Q. Do you sense that U.S. policy will leave a united Germany in charge of Europe, freeing Washington to focus on matters closer to home?

A. I don't think anybody wants that to happen. I don't think it's in the American interest. I don't think it's the German interest. Once they're united, they'll be strong, very strong, particularly on the economic side. But Germans are not saying, not even among themselves, 'OK, that gives us the leadership of Europe.' And the American presence is not just the troops, not just an ornament that can be taken away. American engagement is absolutely fundamental to stability, a lesson we learned the wrong way in 1920 when the peace treaty in Europe led to the departure of the Americans and to tragedy 20 years later in 1940.

Q. President François Mitterrand seemed out of step with the summit's direction, so displeased that he suggested French troops might leave Germany. Is France irrevocably opposed to NATO, even in a changed form?

A. President Mitterrand staked out his position, which is the traditional French position, well-argued. He has his views about French strategy and the role of nuclear weapons. I hope that, without in any way changing their minds on France's policy consensus about borderline issues such as the integrated military command, it will be possible for the French, as we go on with the kind of NATO that emerged from this summit, to be more and more active in our policy debates. It would greatly strengthen the West as a whole.

Moscow Tenants: Sudden Landlords?

By Francis X. Clines
New York Times Service

MOSCOW — The brash new Moscow City Council, opting for a Utopian antidote to communism, has voted to take the city's entire apartment housing stock from state control and give it away to millions of tenants.

The move by the council's new insurgent majority was made quietly at the end of a busy session last week, and Muscovites have been slowly adjusting to the news.

The city hall bust of Lenin had been toted from the debating chamber to symbolize the council majority's feistiness as they acted under a new federal law on land to proclaim the city the landlord of all Moscow.

Then they voted to give away the apartments, long the property of the state, resolving that the tenants long ago paid for them in the deflated wages and oppressive working conditions of seven decades of communism.

No one quite knows yet how or whether this can come true, but the council is advising the city to trust in the new powers of self-rule and await further details.

"I have heard this, but is it true?" asked Roman Rakhmin. A Muscovite, he was making the rounds of Banny Pereulok, a Dickensian trove of a back street where city dwellers traditionally trade, plead, connive, bribe and despair in an informal apartment bazaar hobbled by the Soviet bureaucracy.

"Great! Fantastic!" said Lina Pryazhevsky of news of the giveaway, in a voice suggesting disbelief. She continued studiously peeking out from under her umbrella at the paper swap-slips of apartments pasted on the street's bulletin boards and building walls.

Mrs. Pryazhevsky was scouting to join one of the elaborate daisy chains of up to dozens of individuals swapping apartments, in her case simply to trade her single room in Leningrad for one room in Moscow.

Swapping is the only housing transaction legally permissible to most people under Soviet law. It is a humiliating, slavish procedure the City Council's new market-minded majority would snuff out with the novelty of ownership.

No less dramatically, the planned giveaway of apartments would test the true value of the decentralized democracy being enacted by the Soviet parliament.

Scores of unanswered questions remain on issues like who will pay the upkeep on the more than 2 million apartments at stake. And skeptics say the plan is unworkable and will prove to be an early pie-in-the-sky lesson to newly democratized voters on how electoral politics can weaken politicians' judgment.

But Muscovites are at least curious, to put it mildly, about such a promised novelty in a housing situation that, in any case, already borders on disaster.

City housing officials are being besieged by tenants asking dozens of questions, none of them thus far satisfactorily answered. Can this truly happen? When do they take possession? What is the clear advantage of ownership, because the current state rents are so low?

Rents are about 15 to 30 rubles a month (about 5 to 10 percent of the average income, or $2.50 to $5 at tourist currency exchange rates), utilities included.

Agence France-Presse

Franz Schönhuber gesturing as he speaks in Ruhstorf, West Germany, after winning re-election.

German Rightists Re-elect a Former Nazi

The Associated Press

RUHSTORF, West Germany — The rightist Republican Party on Sunday re-elected a former soldier in the Nazi Party's Waffen SS forces to be its chairman, ending a six-week quarrel over leadership of the West German group. Meanwhile, East Germany briefly detained Michael Kühnen, the self-proclaimed "führer" of a group openly advocating Nazi ideology.

The re-election of Franz Schönhuber and arrest of Mr. Kühnen came amid reports of growing activity, particularly in East Germany, of rightists and neo-Nazis. Mr. Schönhuber resigned as chairman in mid-May after criticizing the party for drifting too far to the right.

Hungary Shows Secret Carlos Film

Reuters

BUDAPEST — Secret films of talks about a decade ago between Hungarian officials and the international terrorist, Ilich Ramirez Sánchez, also known as Carlos, have been shown on Hungarian state television.

The broadcast came 10 days after Interior Minister Balazs Horvath told parliament that Hungary's Communist authorities gave refuge to the terrorist in the late 1970s and early 1980s.

The grainy film appeared to show two counter-espionage officials telling Carlos and a deputy that his guerrilla group could no longer base its operations in Hungary but that transit visits and short stays would still be allowed.

Carlos, wearing a suit, demanded information from the Hungarians about East European secret service reports on terrorist activity in West Germany.

The Panorama TV program, which showed the film, also showed interviews with Hungarian secret service officials who met Carlos or who knew about his presence in Hungary. It said it was working in Budapest and Moscow on a full-length program on the Carlos affair.

Carlos, born in Venezuela in 1949, joined the Popular Front for the Liberation of Palestine in the late 1960s and was blamed for a string of guerrilla operations ranging from West Europe to Japan.

In 1986, Israel's Davar newspaper said he was believed to be dead and buried in Libya, probably killed by Libyan agents because he knew too much about Arab intelligence networks.

Andras Petresevics, formerly responsible for anti-terrorist activity in Hungary, said Carlos was in a bad nervous condition when they met. "His hands trembled and there were visible signs of fear," he said.

Miklos Redei, former head of Hungary's counterespionage service, said Carlos and his group were never invited to Hungary but the authorities did not dare to arrest or "liquidate" him.

"We knew that if something had happened to Carlos here that the whole terrorist group would have declared Allah's revenge on Hungary," Mr. Redei said.

Mr. Horvath has ordered the state prosecutor to investigate the Carlos case.

■ Testimony on Terrorism

A leading West German guerrilla suspect arrested last month will turn state's evidence and testify in depth about the notorious Red Army Faction, a news magazine said on Saturday, Reuters reported from Bonn.

Der Spiegel said that Susanne Albrecht, one of eight suspected members of the group tracked down in East Germany last month, had also agreed to inform on links between the gang and East Germany's former hard-line Communist rulers.

Miss Albrecht, 39, wanted in connection with the terrorist killing in 1977 of a West German banker, was extradited on Thursday from East Germany to West Germany after she dropped an appeal against her arrest.

Mazowiecki And Walesa Still at Odds

Reuters

WARSAW — Lech Walesa said Sunday that Poland still lacked a political blueprint for democracy, telling Solidarity members of parliament that "one gust could sweep you all away."

Prime Minister Tadeusz Mazowiecki and Mr. Walesa, the Solidarity union leader, had agreed earlier to "work together for Poland," but they left doubt as to whether they had settled their differences.

Mr. Walesa said that the new system was too much like the communist monolith.

"Yesterday in my talks with the prime minister we told each other openly that the system is the way it is because we never discussed what would happen after communism, how we would implement the next stage," Mr. Walesa said. "The system we have created today is growing similar to the former system."

Four hours of talks Saturday were aimed at resolving tensions that have split the Solidarity movement and turned the former allies into political rivals.

The two worked closely in Solidarity for 10 years in opposition to the Communists. When the movement took power last year, Mr. Walesa decided to remain outside government and nominated Mr. Mazowiecki as prime minister.

But Mr. Walesa in May declared "war at the top," saying the Mazowiecki government was trying to set up a monopoly to replace communism. Mazowiecki supporters have responded by calling Mr. Walesa a despot, accusing him of political ambitiousness in proposing himself for the presidency, now held by Wojciech Jaruzelski, the former Communist Party chief.

Mr. Mazowiecki, on the defensive, dismissed three prominent former Communist ministers on Friday and proposed national elections before next spring in what was seen as a response to Mr. Walesa's persistent pressure for faster change.

■ 2 Cabinet Moves Rejected

In another blow to the political standing of the Mazowiecki government, the parliament rejected two of his proposed cabinet changes, The New York Times reported from Warsaw.

The lower house refused to endorse the resignation of Marek Kacharski, the minister of communications. It also rejected Mr. Mazowiecki's nomination of Artur Balasz as agriculture minister.

Parliament did accept the dismissals of the ministers of defense, General Florian Siwicki; interior, General Czeslaw Kiszczak, and transport, Adam Wieladek, and their replacement by Solidarity supporters.

The new defense minister is Rear Admiral Piotr Kolodziejczyk, the new interior minister is Krzysztof Kozlowski and the new transport minister is Ewaryst Waligorski.

East Germany Had Links With Guerrillas

Reuters

BONN — East Germany's former Communist government had links with major guerrilla groups in Europe and the Middle East, the interior minister said in remarks released Sunday.

Peter-Michael Diestel said the former East German leaders, toppled last year, had contacts with the Irish Republican Army, the Basque separatist movement ETA and other groups.

"We very much hope these were not contacts that could have encouraged international terrorism," he was quoted as saying by the West German newspaper Die Welt.

Eight suspected members of the West German guerrilla group Red Army Faction, wanted for murder and kidnapping in the 1970s and early 1980s, have been arrested recently in East Germany amid revelations of that nation's former ties with the organization.

Mr. Diestel said that the Communists and the disbanded Stasi state security service were also in touch with foreign guerrillas.

France Will Keep German Presence For 4 More Years

The Associated Press

PARIS — France plans to keep troops in Germany for at least four more years, Defense Minister Jean-Pierre Chevènement said Sunday.

He rejected a suggestion that French troops withdraw by the end of the year. "That won't happen for at least four or five years," he said, adding that withdrawal even then would depend on the actions of the Soviet Union and on coordination with Western allies.

France "is the biggest military power in Europe" after the Soviet Union, Mr. Chevènement said, and must maintain its capabilities.

Mr. Chevènement said the eventual withdrawal of the 50,000-member French unit from what is now West Germany would fit in with plans to reduce country's armed forces by 35,000.

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WORLD BRIEFS

At Least 7 Die as Presidential Guards Open Fire at Somalian Soccer Match

MOGADISHU (Reuters) — Bodyguards of the Somalian president, Mohammed Siad Barre, killed at least seven persons when they fired indiscriminately into a crowd at a soccer match, according to hospital officials and witnesses.

Spectators began booing and chanting anti-government slogans after Mr. Siad Barre finished a speech opening a regional tournament here Friday night, and his bodyguards opened fire, witnesses said over the weekend. A statement broadcast on Somali radio said that security forces fired in the air to quell a disturbance caused by overcrowding in the stadium.

Hospital officials said that seven persons were killed and 18 were injured, but witnesses said they thought the toll was far higher.

Mr. Siad Barre, who took power in a bloodless coup in 1969, last month detained scores of opposition critics who were demanding that he resign. The government has been fighting rebels seeking to topple the president since 1981.

Israel Blasts Hezbollah Stronghold

NABATIYEH, Lebanon (AP) — Israeli warplanes blasted a major stronghold of the Iranian-backed Hezbollah in south Lebanon Sunday. It was Israel's second attack on Lebanon-based guerrillas in three days.

The police said at least two people were killed and seven were wounded in the attack, which followed reports that kidnappers linked to Hezbollah, or Party of God, might release one of 16 Western hostages they hold. It was not immediately clear if the expected hostage release would be canceled in retaliation for the attack.

In Israel, the military command said the raid destroyed the base, which was "a launching pad for attacks on Israel and the security zone" in southern Lebanon.

Ryzhkov to Head Lithuania Talks

MOSCOW (AP) — Prime Minister Nikolai I. Ryzhkov will head a commission preparing for negotiations with Lithuania on granting the Baltic republic independence, a Lithuanian government spokesman said Sunday.

Czeslovas Jurshenas said Lithuania was preparing documents to present at preliminary talks to set up negotiations on the republic's quest to separate from the Soviet Union. Mr. Jurshenas is a spokesman for Prime Minister Kazimiera Prunskiene and a deputy to the Lithuanian Supreme Council.

Mr. Jurshenas said he did not expect the talks to begin before the end of the 28th Soviet Communist Party Congress on Thursday, but that they could start within 10 days.

Greek-U.S. Military Treaty Is Signed

ATHENS (NYT) — Greece and the United States signed an eight-year military cooperation agreement here Sunday providing Greece with more than $1 billion worth of free military supplies in return for permitting the continued operation of U.S. military facilities in this NATO-member country. Greece will also get $350 million in military credits during the first 12-month period starting October 1990.

Foreign Minister Antonis Samaras, who signed the agreement in the presence of visiting Secretary of Defense Dick Cheney, said the accord put an end to the troubled relations between the two countries and inaugurated a "new era of national reason in our relations with the United States."

But the Socialist Party of the former prime minister, Andreas Papandreou, as well as the Communists, charged that the accord rendered Greece "subservient to U.S. global interests".

Chamorro Threatens to Fire Strikers

MANAGUA (Reuters) — The Nicaraguan government of President Violeta Barrios de Chamorro has set the stage for a test of force against the leftist Sandinista opposition, threatening to dismiss striking state employees who do not appear for work on Monday.

Talks to end the five-day strike collapsed Friday and the government declared the walkout by pro-Sandinista opposition labor unions illegal. But union leaders said the strike, which has shut banks and the state bureaucracy, hampered public transit and stopped work at key cotton plantations, will nonetheless spread on Monday.

"It's time to go all out," said Lucio Jimenez, head of the pro-Sandinista National Workers Front organizing the strike. "It's now or never. Labor leaders said more than 85,000 workers were on strike, but government officials estimated far fewer were backing the walkout. The unions are demanding a monthly minimum wage equivalent to $200 and have called on Mrs. Chamorro to abandon plans to denationalize state-owned lands and companies.

Serbia Fights Albanian Strike Threat

PRISTINA, Yugoslavia (Combined Dispatches) — Opposition leaders in Kosovo Province urged ethnic Albanians on Sunday to strike in protest against Serbian rule. Serbian officials warned that workers who heeded the call would be dismissed without pay. Policemen, many in full riot gear and armed with automatic rifles, patrolled the streets of most major towns.

The Democratic Forum, composed of Kosovo's main Albanian opposition groups, issued a statement calling for the province's Albanian majority to stop work from 9 to 10 A.M. daily.

The republic of Serbia dissolved Kosovo's parliament and government on Thursday and purged the Albanian-language media after rebel deputies declared the province independent from Serbia. On Saturday, Serbia disbanded the official trade union organization in Kosovo. *(Reuters, AP)*

TRAVEL UPDATE

China has reopened its "silk road" tourist route into Pakistan after a two-month delay that Pakistani tour operators said was caused by a Muslim revolt in western China, Pakistani officials said. *(Reuters)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Argentina, Morocco, Thailand.
TUESDAY: Bahamas.
WEDNESDAY: Monaco, Mongolia.
THURSDAY: Mongolia.
SATURDAY: France, Iraq.
SUNDAY: Brunei.

Source: J.P. Morgan, Reuters.

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	18	64	14	57	r
Athens	35	95	26	79	fr
Barcelona	26	79	19	66	fr
Belgrade	27	81	17	63	fr
Berlin	21	70	11	52	fr
Brussels	21	70	11	52	fr
Budapest	29	84	16	61	fr
Copenhagen	18	64	13	55	fr
Costa Del Sol	31	88	19	66	fr
Dublin	18	64	12	54	fr
Edinburgh	21	70	12	54	fr
Faro	28	82	20	68	fr
Florence	29	84	16	61	fr
Frankfurt	22	72	13	55	fr
Geneva	25	77	14	57	fr
Helsinki	24	75	13	55	fr
Las Palmas	28	82	22	72	fr
Lisbon	24	75	17	63	fr
London	18	64	12	54	fr
Luxembourg	22	72	11	52	fr
Madrid	39	102	17	63	fr
Milan	29	84	17	63	fr
Moscow	20	68	10	50	fr
Munich	28	82	19	66	fr
Nice	26	79	20	68	fr
Oslo	20	68	11	52	fr
Paris	24	75	15	59	fr
Prague	—	—	—	—	fr
Reykjavik	12	54	8	46	fr
Rome	28	82	19	66	fr
Stockholm	20	68	12	54	fr
Strasbourg	23	73	14	57	fr
Vienna	25	77	16	61	sh
Warsaw	21	70	12	54	fr
Zurich	28	82	8	46	fr

MIDDLE EAST

Ankara	32	90	16	61	sh
Cairo	37	99	25	77	fr
Istanbul	30	86	21	70	fr
Jerusalem	33	91	19	66	fr
Tel Aviv	33	91	17	63	fr

OCEANIA

Auckland	—	—	—	—	—
Sydney	18	64	8	46	fr

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	35	95	25	77	sh
Beijing	33	91	20	68	fr
Hong Kong	—	—	—	—	—
Manila	30	86	24	75	r
New Delhi	—	—	—	—	—
Seoul	31	88	24	75	fr
Shanghai	34	93	26	79	fr
Singapore	31	88	25	77	r
Taipei	33	91	27	81	fr
Tokyo	32	77	28	82	fr

AFRICA

Algiers	28	82	13	55	fr
Cape Town	17	63	7	45	fr
Casablanca	25	77	20	68	fr
Harare	24	75	13	55	fr
Lagos	28	79	24	75	r
Nairobi	—	—	—	—	—
Tunis	30	86	20	68	fr

LATIN AMERICA

Buenos Aires	—	—	—	—	—
Lima	23	77	17	63	fr
Mexico City	23	73	15	59	—
Rio de Janeiro	—	—	—	—	—

NORTH AMERICA

Anchorage	17	63	11	52	fr
Atlanta	33	95	24	75	fr
Boston	28	77	19	66	fr
Chicago	26	79	21	70	fr
Denver	32	90	21	70	fr
Detroit	31	88	20	68	fr
Honolulu	31	88	24	75	fr
Houston	34	93	23	73	fr
Los Angeles	24	75	17	63	fr
Miami	34	93	26	79	fr
Minneapolis	27	81	17	63	fr
Montreal	28	82	19	66	fr
Nassau	32	90	25	77	fr
New York	30	86	23	73	fr
Phoenix	42	108	28	82	fr
San Francisco	21	70	13	55	fr
Seattle	24	75	12	54	fr
Toronto	28	82	22	72	fr
Washington	30	86	23	73	fr

cl-cloudy; fr-foggy; fr-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Changing, with clouds and sun. Temp. 23 — 14 (73 — 57). LONDON: Changing, with clouds and sun. Temp. 23 — 13 (73 — 55). MADRID: Fair. Temp. 35 — 17 (95 — 63). NEW YORK: Partly cloudy. Temp. 31 — 21 (88 — 70). PARIS: Changing, with clouds and sun. Temp. 24 — 16 (75 — 61). ROME: Fair. Temp. 32 — 17 (90 — 63). TEL AVIV: Not Available. ZURICH: Cloudy. Temp. 22 — 15 (72 — 59). BANGKOK: Showers. Temp. 34 — 25 (93 — 77). HONG KONG: Not Available. MANILA: Cloudy. Temp. 32 — 24 (90 — 75). SEOUL: Some rain. Temp. 31 — 22 (88 — 72). TOKYO: Cloudy. Temp. 28 — 21 (79 — 70). SINGAPORE:

Cyberspace: It's Not There, but for Trendsetters It Could Be Bigger Than Perrier

By Trish Hall
New York Times Service

NEW YORK — Virtual reality, artificial reality, cyberspace — these are different names for a nonexistent space that is attracting a lot of interest from people who pride themselves on being in the right place at the right time.

Daniel Boutcher, a New York stockbroker, is one.

Although no trendsetter himself, he recently heard about virtual reality from his brother-in-law, a man so in tune with the Zeitgeist he "was drinking Perrier 13 years ago," as Mr. Boutcher said.

Now, Mr. Boutcher is looking for a way to invest in something that may be bigger than Perrier.

To enter this artificial world, a person puts on special clothing that is wired to a computer.

Gloves transmit and receive data, and goggles include two tiny video screens.

The computer generates images, either of the real world or an imaginary one, that appear to the viewer in three dimension.

In a way, it's like watching television, but it's more lifelike because it allows for action.

A user can be sitting in the cockpit of an airplane or swinging a club on a golf course.

With a flick of the gloved wrist, the user can pick up an object, or fly, or chop off the head of an adversary.

Software programs exist, or soon will, to allow people to see the world from many vantage points: from that of a husband, say, or a frog.

Or they can interact with real people connected to the same virtual world.

At this point, the excitement about virtual reality is outpacing its development.

Virtual reality is a concept with serious purposes, like teaching a surgeon how to handle a scalpel without drawing blood, or creating a "workplace" for employees separated by thousands of miles.

Scientists in universities, at small companies and at NASA are just beginning to create the first usable systems.

The concept interests big companies such as American Telephone & Telegraph and IBM, but it has also stirred up the camp followers of trends — so much so that researchers are starting to complain about too many demonstrations, too many gawkers.

They worry, too, that the hoopla is creating expectations that will be impossible to meet.

Indeed, it may be.

Timothy Leary, the psychologist who was a cheerleader in the 1960s for chemically altered states of consciousness, now believes virtual reality is today's best trip.

He recently appeared before a television audience of 20 million in full virtual-reality regalia, emitting sounds of bliss.

Other programs and publications not known for science coverage, like the syndicated television program "Entertainment Tonight" and Rolling Stone magazine, have also tackled the subject.

As a pop-culture concept, virtual reality seems to fall somewhere between the human potential movement and the video game.

Donald Meinshansen, for instance, thinks virtual reality will let people transcend their identities.

"You could be Ronald Reagan, or Elvis Presley or a bag lady," he said. "A person could totally experience things without much effort."

Meinshansen, a promoter who lives in Hoboken, New Jersey, is so intrigued by the technology that he organized a demonstration in May at New York University that included Leary.

Such events are rare, though.

Very few people have actually tried the equipment, and some who have are less then overwhelmed.

"A roller coaster is more exciting," said Howard Rheingold, who is writing a book about virtual reality to be published next year by Simon & Shuster.

Right now, he said, the technology is disappointing, but in 10 years, he said, "it will change the world."

Part of the mystique stems from the difficulty of conveying the experience through printed words or pictures.

But what people have read, or seen, has an almost magnetic force.

Frederick P. Brooks Jr., Kenan Professor of Computer Science at the University of North Carolina, maintains a civil tone but is clearly unhappy with all the attention being paid to the work he oversees.

Although research has been going on for years, the parade of visitors began only last year.

"We must run two or three demonstrations a week," he said. "There are a lot of people in computer graphics coming. And there has been no end of reporters. It's keeping the work from proceeding."

Jaron Lanier, who founded the company VPL Research Inc. and who coined the phrase virtual reality, wants more people to have a chance to use the equipment.

He is working with the Computer Museum in Boston to put the technology on the road.

Starting next year, the museum hopes to send a bus around the country — to be called Reality on Wheels — that will give people a chance to try the devices.

The tour, Mr. Lanier said, "will end a lot of the nonsense" by showing exactly what the equipment does.

It is not, as Leary has intimated, akin to a drug trip. Nor is it equivalent to the real world.

"People will be able to evaluate it on its own terms," Mr. Lanier said, "rather than on its cultural stams as a hard-to-see thing."

With all the hoopla over virtual reality, it is oddly quiet at the natural history museum at the University of Connecticut in Storrs, where a form of the equipment is continually on display and open to anyone who wants to use it.

The installation is the work of Myron Krueger, a computer scientist who is based in Vernon, Connecticut. Although a pioneer in the field, he is something of a maverick these days.

While government and industry researchers are focusing on using helmets and goggles and gloves that create the sense of a different world, he eschews bodily equipment: it seems too cumbersome.

In his world, the person interacts with objects and characters and other people on a screen, in two dimensions.

His equipment is fun, and energizing, and seems to have a lot of potential for entertainers.

The musician Peter Gabriel has met with him several times to determine whether it can be used in his concerts.

Although people of all ages are attracted to the idea of virtual reality, it will probably be the young who incorporate it into their lives.

"If I were in college now, I'd be thinking, 'Oh, boy, this is my technology,'" said Stewart Brand, founder of the Whole Earth publications, who has written extensively about computers.

"I'm 51, and I'm probably too old to handle four or five immersion realities at the same time."

U.S. Studies A Shift in Policy on Cambodia

By Clifford Krauss
New York Times Service

WASHINGTON — The Bush administration is quietly beginning to reconsider its policy of supporting a guerrilla insurgency against the Vietnamese-backed government of Cambodia, officials say.

While a full-fledged policy review is not yet under way, they add, pressure on Capitol Hill and developments on the battlefield and at the negotiating table could force other options, including contacts with Phnom Penh or withdrawal from the conflict altogether.

"Policies have to deal with realities," said one official.

Appearing on ABC television, Secretary of State James A. Baker 3d said: "I think it's fair to say that we are rethinking the question of assistance to the non-Communist resistance."

Washington is giving more than $15 million a year in covert and overt aid to two small non-Communist guerrilla groups fighting in a loose coalition on the side of Khmer Rouge, the powerful Communist rebel force, against Prime Minister Hun Sen's faction.

Although such aid is small compared with the support that China and Singapore give to the guerrillas, critics fear that U.S. policy could help bring Pol Pot and his Khmer Rouge back to power.

Human rights monitors charge that more than a million people died under Khmer Rouge rule in the 1970s.

The administration continues to argue that the present policy is the best way to shore up the non-Communist guerrillas and to restrain an expansionist Vietnam, which installed the present faction in Phnom Penh in 1979.

The administration backs a proposal of Australia and Representative Stephen J. Solarz, a New York Democrat, that the UN would help administer Cambodia after a cease-fire until democratic elections.

Present U.S. policy goes back to the late 1970s, when the Carter administration, hoping to improve relations with Beijing, put aside its human rights concerns and condoned China's support of the Khmer Rouge.

By 1982, Washington had helped persuade the non-Communist forces, whose most prominent leader is Prince Norodom Sihanouk, to join with the Khmer Rouge to drive Vietnam and the Hun Sen faction out of Cambodia.

Now, a growing number in Congress fears a Khmer Rouge victory and wonder why the United States needs to involve itself in a war of limited strategic importance.

Such thinking was bolstered when Vietnam withdrew most of its 200,000 troops last year.

Administration officials say that the Vietnamese continue to deploy elite forces and advisers in Cambodia.

But they concede that the Soviet Union has cut back its support for Vietnam and Cambodia and will probably continue to do so.

The policy has not been going well, administration and congressional sources say, because the Khmer Rouge is gaining on the battlefield and stalling at the negotiating table.

Moreover, a secret vote by the Senate Intelligence Committee to cut $10 million in aid to the insurgency late last month was a sign of growing opposition.

The House approved more than $7 million in overt aid two weeks ago, but the Senate Democratic leadership has pledged to cut it.

With a push from middle-level State Department and Central Intelligence Agency officials here and in Thailand, the administration is beginning to consider adjustments.

A senior State Department official said that he had asked his aides "to take a hard look" at a statement on June 11 by Senator George J. Mitchell, a Maine Democrat, in which the majority leader suggested that the United States open talks with the Hun Sen faction and ease curbs on humanitarian aid to Cambodia.

The Bush administration has argued that Prime Minister Hun Sen is illegitimate because his government remains dependent on Vietnamese support.

In his statement, Mr. Mitchell said: "The administration's Cambodia policy is incredible. It is insupportable. It must be changed."

U.S. Is Ready for Another Try on Israel Accord

By Thomas L. Friedman
New York Times Service

WASHINGTON — After considering a recent letter to President Bush from Prime Minister Yitzhak Shamir of Israel, administration officials have concluded that another attempt to organize Israeli-Palestinian talks may be justified.

They said that Secretary of State James A. Baker 3d had tentatively scheduled a meeting in Paris for either July 18 or 19 with Israel's new foreign minister, David Levy, to determine whether Israel was serious about reviving peace diplomacy.

Mr. Levy has signaled Washington that he is eager to see Mr. Baker in Paris. But the date of the meeting remains tentative because Mr. Levy is recovering from a mild heart attack.

"We feel that Mr. Levy is someone we might be able to do business with," a top administration policymaker said. "We want to give him a chance."

Mr. Levy, while a strong advocate of Israel's retaining the occupied Arab territories, is considered a pragmatist. He earned that reputation when he broke ranks with other Likud ministers and cast the deciding vote to pull Israeli troops out of Lebanon in 1985.

Mr. Baker, who is known to be wary of being drawn into another long and fruitless wrangle with Israel, wrote to Mr. Levy recently inviting him to meet in Paris.

Mr. Baker said he had heard that Mr. Levy was a "problem solver," an official said, and looked forward to finding out.

Several factors went into the decision to re-engage the Israeli government.

The first factor was Mr. Shamir's letter to Mr. Bush on June 28.

Mr. Bush had written to Mr. Shamir as soon as his new government was formed and asked him to give a clear response to Mr. Baker's proposal for getting talks started on implementing Mr. Shamir's May 1989 peace plan.

That plan called for the Palestinians in the West Bank and Gaza Strip to elect representatives, who would then negotiate with Israel about autonomy and an eventual settlement.

Palestinians in the occupied territories, with the acquiescence of the PLO, were ready to take part in talks — provided that one or two of the Palestinians could be persons deported for nationalist activities and that some could be dual residents of East Jerusalem and the West Bank.

In his letter to Mr. Bush, Mr. Shamir, while never using the word "no," made it clear that Israel objected to deportees on the ground that they would symbolize the Palestinian claim for a right of refugees to return to their former homes. This, he said, would undermine Israel's existence.

He also objected to Palestinians from East Jerusalem because their participation would undermine Israel's claim to have annexed the Old City.

But Mr. Shamir did say that he was prepared to open talks with Palestinians "on a name-by-name basis."

As a result, administration officials felt it was worth learning whether the Israelis could come up with a list of Palestinian negotiators acceptable to both sides, while avoiding fixed categories, like deportees and dual residents.

Administration officials also felt that amid all the turmoil in Israel in recent months, with the fall of the coalition government in March and the long negotiations to form a new cabinet, the focus of diplomacy had been lost.

The third factor was direct pressure on Mr. Bush from President Hosni Mubarak of Egypt, who badly needs a "peace process" to justify before his domestic and Arab critics his close ties with the United States and Cairo's relations with Israel.

When Mr. Baker threatened Israel that the Bush administration might simply walk away from the Middle East for a while, it was Mr. Mubarak, not Mr. Shamir, who was the first to telephone the White House, almost in a panic, to say that the president simply could not disengage.

To do so, he explained, would be to embarrass Cairo and leave it open to criticism from its main hard-line challenger for Arab leadership, Saddam Hussein, the Iraqi president. Mr. Bush promised to stay involved.

David Tenborough/The Associated Press

EXPOSION IN TEXAS KILLS 17 — Wreckage in the Atlantic Richfield chemical Plant in Channelview, Texas, where a devastating explosion near storage tanks killed 17 people and injured five. An inquiry is being held into the cause of the accident.

Soviet Union To Launch U.S. Craft

By John H. Cushman Jr.
New York Times Service

WASHINGTON — The Bush administration has decided to allow U.S. commercial satellites to be launched on Soviet rockets for the first time, according to government and industry officials.

The State Department, with White House approval, intends to grant an export license to the USBI division of United Technologies Corporation to operate a private launching station at Cape York, Australia, where Soviet Zenit rockets could be launched beginning in 1995.

U.S. rocket companies had opposed letting the Soviet Union provide launching services for American customers, but the satellite makers had favored opening up the market.

The Soviet space agency, Glavkosmos, would supply rockets and engineers, but would not own a share in the venture.

The project provides a major opportunity for the Soviet Union to expand its international space business and is expected to increase foreign competitive pressures on the U.S. rocket industry.

China won limited approval from the administration last year to launch a few U.S. satellites from Chinese territory.

The United States has shifted the job of launching privately owned satellites from the government's space agency to aerospace companies.

In 1989, McDonnell Douglas Corporation became the first company to conduct a commercial launch in the United States, and nearly a dozen launches by several companies are expected this year.

But the domestic industry faces intense competition from the European consortium Arianespace, and the availability of inexpensive rockets from China and the Soviet Union is also a worry for domestic suppliers who have invested hundreds of millions of dollars in a business fraught with technical risks.

AMERICAN TOPICS

Lawyers Can't Afford Discrimination Cases

Congress and the Bush administration are negotiating a new civil rights act that would broaden the rules under which employees can charge companies with discrimination on the basis of sex, race, religion or disability. But many good cases will never get to trial because most lawyers cannot afford to take them, The Washington Post reports.

Many civil rights lawyers decry the present system of payment in such cases. Because most plaintiffs cannot afford the usual hourly fees, lawyers have to take their cases on a contingency basis. That means they get paid only years after the suits are filed — and only if they win. Lawyers who have regularly handled such cases during the past two decades "have all gone out of business," said Joel P. Bennett, a member of the American Bar Association's Economics of Law Practice Section.

While some big law firms take on some such cases on an unpaid, *pro bono publico* basis, experts say the firms simply don't have enough charity time to go around.

About People

Governor Mario M. Cuomo of New York has indicated that he may sign a bill outlawing the "sports" of dwarf tossing and dwarf bowling — competing to see who can throw a dwarf the farthest or who can knock down the most bowling pins by shoving a dwarf down the alley on a skateboard. Dwarfs are usually paid for taking part. "These are human beings," the governor said.

Henry Holt & Co. canceled its book deal this spring with Edwin Meese 3d, Ronald Reagan's attorney general, because a year after signing for six figures he had not produced a word. Such cancellations are becoming common, the Los Angeles Times reports. Publishers are seeking "hot" books and they want the material before it cools off. One book editor said contracts are often signed not on the basis of a sample chapter or even an outline, but "from conversations, or snippets of conversations, or just a vague idea."

Short Takes

A new car radio automatically tunes in the kind of programming you like, even if you don't know what station is broadcasting it — all-news or, for music, classical, jazz, rock, easy-listening, big-band or country and western. The Technics CQ-ID90, priced at $799, incorporates a cassette with enough memory to hold the frequencies and basic program information for more than 9,000 AM and FM stations in 5,100 U.S. cities, The New York Times reports. The radio is set to start at your home base. You touch a button to tell it in which direction you are traveling. As the station you are listening to fades out with increasing distance, the radio seeks another, closer station with similar programming.

"One of the oldest tricks in the legislative business," notes Bill Boyarsky in his Los Angeles Times column, is "mumbling a bill through the legislature. You mumble when you want to sneak through something that wouldn't stand public scrutiny. You employ technical, sometimes impenetrable language. The summary that accompanies each bill is vague and misleading. In explaining the bill to fellow lawmakers, you mumble that it makes 'technical changes' or 'eliminates obsolete language.' Colleagues, with thousands of bills before them, usually take the explanation at face value and vote aye."

Overheard at a Broadway restaurant by James Hyatt of Ridgewood, New Jersey, and reported to The New York Times: "When my son graduated from Columbia, I couldn't find a parking space. So I drove up to 135th Street" near the Columbia campus, "pulled into a garage and said: 'Change the oil. I'll be back in a couple of hours.'"

Arthur Higbee

N.Y. Women Dress to Avoid 'Dart Man'

By Alessandra Stanley
New York Times Service

NEW YORK — Standards of dress have subtly shifted in midtown Manhattan, and for once the culprit is not an avant-garde French designer or a trend-setting socialite.

An attacker known as the Dart Man is to blame.

"Normally I don't wear shorts to work, but I know he attacks women in skirts," Florence Kaplan said. The 22-year-old receptionist wore baggy white Bermuda shorts with a silky white blouse Friday. She works at a designer showroom in the garment district, close to the center of the mysterious assailant's strike range.

Like many other New York women, she felt sufficiently at risk to alter her look — and even her stride.

"I walk like this now," she said with a rueful laugh, twisting sideways to demonstrate how she hoped to avoid being a target.

Since last month, more than 50 women have reported being struck, usually in the buttocks, by a dart fired by a man witnesses describe as black and in his 30s, about 5 foot 7 inches (1.70 meters) with a mustache and beard. Almost all the targets have been young, light-skinned women in business suits.

In the throng of female pedestrians on Broadway and around Pennsylvania Station on Friday, there were some nervous backward glances, lots of joking and few business suits.

"I thought maybe I shouldn't come down this way — I know I'm his type," Laura McCaffrey, a 26-year-old department store consultant, said.

Walking briskly down Broadway at 40th Street, dressed in a knee-length hounds-tooth check skirt and white blouse, she stood out amid the sea of cautiously turned out women.

"I live in this city," she said defiantly. "You can't be afraid, or you'd never go out."

She returned safely to her office.

Six blocks away, another well-dressed pedestrian was less fortunate. Toward mid-afternoon, police said a woman in a blue blazer and matching skirt was hit with a dart by a man who a witness said matched the composite description. The victim reached down, pulled a dart from the right rear part of her skirt and kept walking.

Breda Hourigan, a 41-year-old tourist from Dublin, was sightseeing around Times Square with four family members and was worried that she was dressed inappropriately — not for the heat, but for the latest odd crime wave.

She stroked the back of her red and white striped Bermuda shorts.

"I am going to go along holding me bum," she said, giggling. Squeezing her fingers together to indicate a pinch, she said: "We don't have dart-pickers in Ireland. We came to New York for the experience."

She and the other women laughed uproariously and then headed for Macy's.

Outside Penn Station, members of the Guardian Angels had left a sign over an outdoor subway map to remind passers-by that the volunteer crime-fighters were on the case. "Dart Man!" the sign read, "Turn yourself in before we make a dart board out of you!" It left a number for witnesses — or the assailant — to call.

A spokesman for the group said that about 50 Guardian Angels had patrolled the area in which attacks have been reported, between 23d and 57th Street, from Fifth Avenue to Broadway.

The police increased the number of officers in the area, but two undercover detectives on the Avenue of the Americas at 34th Street had other kinds of crime on their mind.

"There are more pickpockets than there are dart men out here," said a detective in jeans who carried a .38-caliber revolver under a Hilton Head T-shirt.

Nearby, Natasha Schimkewitsch, 55, was engrossed in conversation with a friend, but since both were wearing crisp summer dresses the two window-shoppers also kept the Dart Man in mind.

"I think we are in the dangerous area," Mrs. Schimkewitsch said.

But she was not really frightened. Like thousands of other women here, she viewed the dart scare mainly as a reminder of her weight problem.

"With our figures, it is very easy to hit us," Mrs. Schimkewitsch said, grimacing. "We are perfect targets."

U.S. Plans to Use Latin Americans In Cocaine Raid, Newsweek Reports

Reuters

NEW YORK — The United States is planning a Latin American drug raid using the armies of three South American nations to strike a decisive blow against cocaine traffickers, Newsweek magazine reported in its latest issue.

Newsweek, quoting briefing papers obtained from the U.S. Southern Command military headquarters in Panama, said the attack would be coordinated by the U.S. Southern Command and use the armies of Colombia, Bolivia and Peru to hit targets in their countries.

Defense Secretary Dick Cheney, speaking on U.S. television, did not deny the report. He said U.S. policy was "to provide coordination and support and assistance" in the drug fight, and said U.S. policy consisted of supporting host nations. "It's not a matter of doing it ourselves," he said. "It's not a matter of active involvement of U.S. military forces in operational missions in those countries."

Newsweek said that due to opposition to the plan in the U.S. Congress and reluctance of the countries involved to be seen as tools of the United States, such a raid was unlikely to happen soon. "We wouldn't pull the trigger but we'd point the gun," Newsweek quoted a Pentagon analyst as saying.

The plan is the brainchild of General Max Thurman, head of the Southern Command and military chief of the Panama invasion last December which ousted Manuel Antonio Noriega, Newsweek said.

A well-placed intelligence source said the Pentagon has plans to send American commandos to "snatch" at least two Colombian drug lords if President George Bush gives the order.

Louisiana Passes Bill to Warn on Record Lyrics

Washington Post Service

WASHINGTON — Louisiana has become the first state to pass a bill requiring warnings on the covers of record albums that contain sexually explicit lyrics. The legislation also forbids the sale of such records to minors.

The bill goes to Governor Buddy Roemer on Monday for his signature. Mr. Roemer has taken no position on the bill. If he does sign it, the record industry will immediately challenge in court.

Along with the recent Florida obscenity ruling against the rap group 2 Live Crew, Louisiana's action reverses fortunes for the recording industry, which had seen labeling initiatives in 20 states defeated, withdrawn or put on hold.

Targeted are lyrics advocating or encouraging sex, drug abuse, violence and other behavior potentially "harmful to minors."

Under the law, retailers, distributors and manufacturers who sell a labeled album to "an unmarried person under the age of 17" could be fined as much as $1,000 and jailed for as long as six months.

The sale of unlabeled recordings to minors could result in fines of up to $5,000 for producers as well as manufacturers and distributors.

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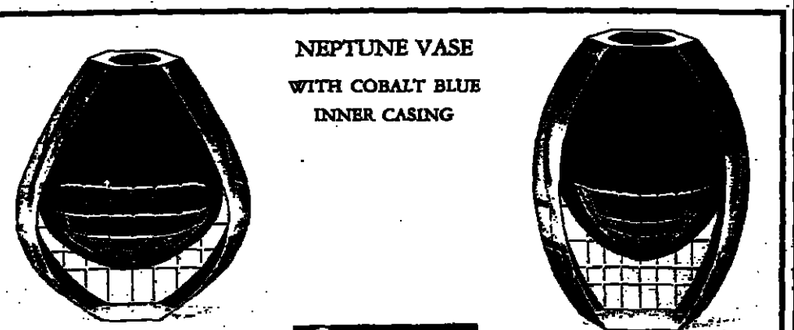

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Clashes in Nairobi Over Democracy

United Press International

NAIROBI — Clashes between security forces and pro-democracy demonstrators continued for a second day Sunday, and a government newspaper asserted that the U.S. Embassy was sheltering two political dissidents.

Dozens of people were reported injured on Saturday, but there were no reports of deaths. The toll on Sunday was difficult to determine.

Demonstrators calling for a multiparty political system smashed car windows and pelted police and troops with rocks in the slums of Nairobi, but the unrest was less widespread than on Saturday, when policemen used tear gas and bullets against the protesters.

The fighting was touched off Saturday when thousands gathered at a sports field to hold a democracy rally that had been banned by the one-party government of President Daniel arap Moi.

Mr. Moi outlawed opposition to his ruling Kenya African National Union following a 1982 coup attempt and changed the constitution in 1987 to give himself greater powers.

When the rally turned violent, paramilitary troops fired tear gas and live ammunition, re-establishing calm by nightfall Saturday.

On Sunday morning, groups of angry protesters gathered again in the slum district, and violence flared. The police crackdown made it difficult to determine whether anyone had died in the riots or how many people were injured.

A pro-government daily newspaper, the Kenya Times, reported Sunday that the U.S. Embassy was sheltering two leading dissident Kenyan lawyers.

The paper, which follows the political line of the Kenya African National Union, cited "a well-situated source" as saying the lawyers, Paul Muite and Gibson Kamau Kuria, had sought refuge in the embassy after 11 democracy movement leaders were arrested last week.

An embassy spokesman refused to comment Sunday. Relatives of the two men would say only that they were safe. Another Western official, who spoke on condition of anonymity, said at least one of the lawyers had asked for U.S. protection.

Kenya, which gained independence from Britain in 1963, had been one of the most stable countries in Africa until the death in 1978 of President Jomo Kenyatta, who left a legacy of vendettas and corruption for Mr. Moi, a member of the Kalenjin tribe, one of the country's smallest.

Pretoria Holds Several Whites Linked to Bombs

Reuters

JOHANNESBURG — The police said Sunday they had arrested several white extremists after a series of bomb attacks and threats to scuttle changes designed to end white minority rule.

A police spokesman declined to say how many people had been detained.

A Johannesburg Sunday newspaper named three men known in far-right circles as among those under arrest. It said two of them were wanted in neighboring Namibia in connection with last year's attack on a United Nations office in which a security guard was killed. The third was described as a friend of Barend Strydom, sentenced to death for shooting to death eight blacks in central Pretoria in 1988.

White pro-apartheid extremists have claimed responsibility for attacks on government offices, homes of liberal politicians, a synagogue and the office of an anti-apartheid Afrikaans newspaper that disclosed that far-right whites were planning to assassinate the black leader Nelson Mandela, President Frederik W. de Klerk and other politicians.

In another development, thousands of South Africans marched on 20 police stations across the country on Saturday to demand that authorities quell black factional strife in Natal.

Frederic Neema/Reuters

Fighters at the rebel-held port of Buchanan, Liberia, using makeshift transport to join the seige of Monrovia, the capital.

Rebels Halt Their Advance on Monrovia

Compiled by Our Staff From Dispatches

MONROVIA, Liberia — Liberian rebels denied Sunday that they had agreed to a cease-fire, announced by President Samuel K. Doe, and said they had halted their advance at the outskirts of Monrovia to avoid civilian casualties.

The situation in the capital, meanwhile, became increasingly difficult, with fuel, water and food in short supply.

Mr. Doe's shattered government announced the cease-fire by makeshift radio, but fighting continued intermittently over the weekend on the outskirts of Monrovia.

The radio, after four days of silence, also appealed for shops to open and government workers to return to their offices. The appeal was widely ignored.

Tom Woewiyu, a spokesman for the rebels' National Patriotic Front of Liberia, said by telephone that Mr. Doe was holding civilians "hostage" and that the rebels were thus "taking precautions to make sure we can bring this madman under control without unnecessary killing of civilians."

"Every entrance and every exit to the city has been closed by us," he said, adding that rebel forces were within two miles (three kilometers) of Mr. Doe's fortified residence.

Mr. Woewiyu said most of the rebel troops were in the Paynesville area, five to six miles southeast of the capital on the road to the wrecked international airport at Robertsfield.

He said the rebels had not been responsible for cutting water and electricity supplies to Monrovia, a city of 500,000 people, which has been without power and running water for more than a week.

Civilian employees who maintained the water pumping station had fled because of the fighting and there was no fuel left to run the electricity generators, he said.

A Reuters photographer who returned from a rebel-held area on Saturday confirmed that many vehicles had been abandoned for lack of fuel.

The photographer was allowed to proceed to Robertsfield airport, 30 miles from Monrovia, where he saw the burned terminal building and dozens of uniforms shed by fleeing government soldiers.

The rebels have been fighting for six months to overthrow a government they accuse of corruption, tribalism and brutal suppression of any opposition.

Fighting eased Saturday on the western and eastern outskirts of the city. Relief workers said about 40 civilian and military casualties had been treated at an emergency field hospital.

Hundreds of people, fearing tribal reprisals by soldiers or rebels, have been trying to get into already overcrowded refugee compounds, some of which are protected by the all-Swiss International Committee of the Red Cross.

Western diplomats said thousands of people had gathered for safety at the compound of the U.S. government's ship-tracking transmitter.

Mr. Doe agreed Tuesday to resign if his safety, and that of his Krahn people, were guaranteed. The United States, which has four warships and 2,100 Marines on standby off the Liberian coast in case of an emergency evacuation, has said it would help Mr. Doe leave. *(UPI, Reuters)*

Refugees Must Go, Asia Officials Insist

By Michael Richardson
International Herald Tribune

DARWIN, Australia — From Hong Kong to Australia, officials say that a wave of people fleeing poverty and insecurity in Indochina can be curbed only by an international agreement that includes mandatory repatriation of all but genuine refugees.

The officials warn that if the United States and Vietnam fail to agree to this demand at a July 16-17 meeting at the United Nations in Geneva next week the entire system of temporary asylum and permanent resettlement for Indochinese refugees put in place after the end of the Vietnam War in 1975 will break down.

Abu Hassan Omar, the Malaysian foreign minister, said recently that 70 percent of the 13,000 Vietnamese who have arrived by boat in Malaysia since March 1989 were "economic migrants" and not bona fide refugees who were fleeing their country because of a well-founded fear of political or religious persecution.

Officials of other first-asylum nations in the region report similar findings.

Alarmed at an eightfold increase to 4,000 in the number of people claiming political asylum in Australia in 1989, the Australian government has announced that it will be more cautious in granting residence.

Darwin, on the north coast of Australia, is the end of the line for "boat people" from Vietnam and Cambodia.

In the late 1970s, hundreds of Vietnamese claiming to be victims of political persecution by the Communist regime in Vietnam arrived in fishing trawlers to seek sanctuary in Australia. All were allowed to stay.

The direct flow by sea to Australia was stopped only by an accord under which countries in the Association of South East Asian Nations provided temporary asylum while the United States, Canada, France, Australia and other nations accepted Vietnamese refugees for permanent settlement.

ASEAN links Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei.

The latest agreement on Vietnamese refugees, known as the Comprehensive Plan of Action, was endorsed by 56 countries in Geneva in June 1989.

It is now in jeopardy because the United States and Vietnam will not agree to requests by ASEAN countries, supported by Australia and Britain, on behalf of Hong Kong, for immediate mandatory repatriation of "boat people" found to be leaving their country for economic rather than political reasons.

In a compromise proposal put forward in Washington on Friday, Thorvald Stoltenberg, the United Nations High Commissioner for Refugees, suggested that all parties should agree to repatriate or resettle refugees in Southeast Asia and Hong Kong by the end of 1992.

There are more than 130,000 refugees in camps in the region, all but about 2,000 from Vietnam. The remainder are Cambodians.

Officials in Washington have said that voluntary repatriation should be given more time to work.

■ 'Hundreds' To Return

Hong Kong said Saturday that it had agreed with Hanoi on a list of "several hundred" Vietnamese refugees who had not volunteered for repatriation but were to be sent home from camps in the British colony, Reuters reported.

"We have submitted a list of several hundred screened-out people for repatriation, said Alistair Asprey, Hong Kong secretary for security. "The Vietnamese have indicated they will accept their repatriation."

Aid workers and diplomats said the new agreement was an attempt by Hong Kong to circumvent strong opposition from Washington and Hanoi to the concept of forced repatriation.

It provided a less controversial form of deportation for Vietnamese who, although they did not want to return, would not resist repatriation.

"There are now very strong signs of some kind of breakthrough," said a Western diplomat in Hong Kong.

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THE HOUSTON SUMMIT: The industrialized nations debate helping Moscow — but also their own agricultural policies.

Paris and Bonn To Press Their Case For Aid to Moscow

By Leigh Bruce
International Herald Tribune

LONDON — West Germany and France will renew their campaign for an immediate Western financial aid package to the Soviet Union at the summit meeting of the Group of Seven industrial democracies in Houston, according to officials around Europe.

They will argue that such an initiative is needed to reinforce the *new political and security structures* taking shape in Europe, the officials said.

"There should be a very strong signal for the Soviet Union coming from Houston," a senior German official said.

At Houston the leaders of the United States, Japan, Canada, Britain, France, Italy and West Germany, as well as the president of the EC Commission, also face tough talks over global trade liberalization and the environment, the European officials said.

Additionally, the agenda is being crowded by the problems of mid-sized countries with large official debts — such as Poland and Egypt — *and Japan's desire to improve* relations with China, making the Houston conference one of most unscripted since these so-called G-7 meetings began 15 years ago.

"Because there are many subjects of relatively equal importance, this is a relatively open summit, with few prearranged agreements," a French official said. "That's what gives the affair spice."

Clearly, however, the Europeans expected the dominant issues to be aid to the Soviet Union and the deadlock over agricultural trade that threatens the Uruguay Round of international trade talks.

The United States, Britain and Japan have been particularly reticent to endorse any large-scale assistance to the Soviet Union that is not backed by specific commitments to democracy and market-driven economic policies.

At the recent European Community summit meeting in Dublin, Prime Minister Margaret Thatcher of Britain blocked a French-German attempt to win acceptance for a $15 billion aid package. Though the 12 EC members endorsed the principle of aid to the Soviets, they asked the EC Commission to study Soviet needs and to report back *with specific proposals by October.*

Soviet positions on Cuba and the Baltic states have increased the political sensitivity of the issue in the United States. Japan refuses to consider joining a rescue package as long as the dispute over four islands seized by the Soviet Union in 1945 remains unresolved.

The summit conference will endorse the aid proposals for East European countries agreed to last week by the Group of 24, which includes the EC, Japan, the United States and other Western countries. But leaders at Houston are expected to stop short of what one source called "an operational" decision on aid to Moscow.

Nevertheless, Chancellor Helmut Kohl of West Germany hopes to carry a strong aid commitment to Moscow next Sunday as part of a larger package of initiatives, including the steps adopted by the London NATO *summit meeting*, designed to reduce Soviet suspicions about the course of change in *Europe*, a European official said.

Some officials said they were encouraged by recent signs that the United States might be softening its stand on the issue, making some sort of compromise possible. The United States has begun to look for ways to provide increased technical assistance to the Soviets. Moreover, President George Bush said indications that Soviet military spending could be drastically cut back would make it "much easier for the West to give them certain kinds of economic assistance."

Both the French and the Germans have *begun to stress* that much of any aid package should be strongly tied to specific projects, a clear echo of British and American views.

"There should be a strong commitment from Houston, because the Soviet Union has not time to wait," an official said. But the aid "should not only be credits, it should be bound to projects, not just money where they do what they want," he added.

The specific size and structure of an aid package is not likely to emerge from Houston. But the official maintained that the discussions would start with a figure of "at least" $16 billion — "that is what they need to remain liquid this year," he said — and could go as high as $37 billion.

Jacques Delors, the EC Commission president, will not have any precise ideas to unveil in Houston but will sound out the three non-*EC participants — the United* States, Japan and Canada — about their willingness to join the commission effort officially, in much the same way as the Community has been given the leading role in the Group of 24.

"As far as we are concerned," a senior EC official said, "the European members of the G-7 will not depart from the Dublin decision. The main questions will be precisely what kind of aid we are talking about and should others join the exercise."

The answers could provide Mr. Delors with an expanded mandate when he visits Moscow in mid-month.

U.S.-Europe Dispute on Farm Subsidies Could Get Earthy

By Stuart Auerbach
Washington Post Service

WASHINGTON — Leaders of the world's largest industrial democracies like to keep their discussions on a stratospheric plane when they meet each year, but they may have to get into the muck of global farm subsidies this week during their Houston *summit meeting.*

A nasty dispute between the United States and Western Europe over the trade-distorting impact of agricultural subsidies — crucial because it threatens to derail global free trade negotiations — is likely to intrude on talks about nine straight years of economic expansion, the new architecture of Europe, aid to the Soviet Union and the shift among Latin American and European nations to market-oriented economies.

The farm trade issue goes beyond a trans-Atlantic squabble. It is part of a wide review of international trade practices that is attempting to bring about $1 trillion in world commerce — roughly *one-third of yearly global trade in goods* and services — under the rules of the General Agreement on Tariffs and Trade, better known as GATT.

These new rules would provide protection against trade in pirated goods; cover service industries such as insurance, banking, tourism and engineering; and force countries to accept foreign investment.

Arthur Dunkel, director general of GATT, said the success of the trade negotiations depends on nations making a series of trade-offs. For nations such as Argentina, Australia and New Zealand, farm trade change is crucial to their endorsement of the free trade talks.

Mr. Dunkel said that without substantial progress in agriculture they will not approve other changes that the European Community, the United States and Japan want.

This week's summit meeting had been seen as a chance to provide the political push for a successful end to the trade talks in December, but the trans-Atlantic impasse over agricultural subsidies could *complicate matters.*

Agriculture has been the potential spoiler in the free trade talks from the start, when the United States made the eventual elimination of farm trade subsidies a prime objective of the negotiations. The U.S. trade representative, Carla A. Hills, called these subsidies "*the unfairest* of unfair trade practices" that distort global agricultural trade, hurt Third World countries and cost American farmers $11 billion a year in export sales.

But Western Europe, represented in the trade talks by the 12-nation European Community, opposed the U.S. demand to eliminate subsidies, as it has in previous global trade talks. The EC, which spends $34 billion on farm subsidies compared with the United States' $8.4 billion, promised a "substantial progressive reduction" *in its support program,* but rejected the notion of eventually eliminating it. It also has insisted on being able *to shift subsidies from one* crop to another.

Ray Macsharry, the EC agriculture commissioner who is a hard-liner on retaining subsidies, called the U.S. demand for elimination "unrealistic" and "overdramatic."

"*It is not going to happen.* Politically it is not possible," he said, particularly in the EC with its 11 million farmers compared with 2 million in the United States.

America's allies in Western Europe and Japan have been lobbying Bush administration officials to play down the *farm trade dispute and keep the discus*sion of trade very general. "The agricultural issue is too technical and detailed for the leaders to negotiate," a European official said here.

But Treasury Secretary Nicholas F. Brady promised "a lot of discussion" on the farm trade issue, which he called "key" to the successful conclusion in December of the free-trade talks known as the Uruguay Round. The four-year-long negotiations aim at expanding and strengthening the GATT, the compact that governs world trade.

"They have to talk agriculture in Houston whether the other participants like it or not, and they will have to talk about it in greater specificity than they would like," Agriculture Secretary Clayton K. Yeutter said.

To consumers, an end to subsidies can mean lower prices in the supermarket. Americans pay about 45 cents for a *pound of sugar, for instance,* largely because low-cost imports are blocked by U.S. quotas that are part of a program guaranteeing producers 22 cents a pound for raw sugar — 9 cents more than the world price. Governments in Europe pay roughly the same amount to their sugar *producers, lifting consumer prices to* about 50 cents a pound.

A European diplomat here said the Bush administration made "a major strategic mistake" by continuing to press for the elimination of export subsidies.

"By putting the stakes so high, the *United States antagonized agricultural* interests in the Community to such an extent that they feel the position of the United States is not serious," he said. "The United States has to back down. If it doesn't back down, we won't move. That means backtracking very clearly, a loss of face on the part of the United States."

Adding to the EC's skepticism is the feeling that politically powerful U.S. agriculture groups — especially the highly protected sugar, peanut and dairy farmers — will block any elimination of their subsidies.

That view is buttressed by the fact that Congress is drafting a new farm bill that largely continues present subsidies and ignores the GATT talks.

Nonetheless, President George Bush *has insisted,* "There simply cannot be a successful conclusion to the Uruguay Round without fundamental agricultural *reform.*"

Mr. Bush, who has made the success of the Urugnay Round his top trade priority, went further when he told a White House Rose Garden gathering in May: "To the United States, no agreement is better than a bad agreement."

Frans Andriessen, EC External Affairs Commissioner, who was in Washington at that time, retorted, "No agreement is bad."

A senior administration official said France has not budged in all the pre-summit meetings from its opposition to phasing out export subsidies.

Germany's position may be complicated by early December elections, at the same time that the GATT talks are concluding, that will lead to a formal unification of the two Germanys.

This could force Chancellor Helmut Kohl to choose between gaining the support of inefficient farmers in Bavaria and East Germany or run the risk of scuttling the trade talks that could help Germany's export-oriented manufacturing industries.

With both sides at an impasse, Dale Hathaway, an international farm trade consultant, said the United States and the EC would have to decide whether it was worth scuttling a wide-ranging package of new free trade rules if it doesn't include *substantial changes in farm* trade.

David Alio/Agence France-Presse

President Bush, with a T-shirt to mark the occasion of the G-7 meeting, jogging Sunday in Houston.

U.K. to Lobby EC on Money Union

Reuters

HOUSTON — Britain is to step up its lobbying of EC partners in an attempt to win support for counterproposals to the Delors Report for European economic and monetary union, British officials said Sunday.

They said that the chancellor of the Exchequer, John Major, who unveiled the proposals last month, would confer Monday with the president of the EC Commission, Jacques Delors, before the official start of the Group of Seven meeting. Mr. Delors chaired a committee of EC Central Bank governors that *last year drew up the blueprint* for a single currency now broadly accepted by most EC nations.

*On Tuesday, Robin Leigh-*Pemberton, governor of the Bank of England, is to outline *the British proposals to Central* Bank officials. The proposals, drawn up just before last month's EC summit meeting in Dublin, contend that the European Currency Unit should be developed as a parallel currency to be administered by a European monetary fund.

The proposals drew a cool response in Dublin, since they run *counter to the Delors Report,* which foresees a single European currency and single monetary policy under the control of a European central bank or "Euro-Fed."

Mr. Major said that the counterproposals offered a compromise between those countries eager to advance rapidly toward *monetary union and those pre*ferring a slower pace. The president of the Bundesbank, Karl Otto Pöhl, who met with Mr. Major and Prime Minister Margaret Thatcher in London last week, has been unenthusiastic.

FARM: *Red Tape Strangles the Bozhko Potato Plot*

(Continued from page 1)

that fizzled because of resistance from the people who were meant to implement it. At first, everybody paid lip service to the idea. But it was gradually throttled by local bureaucrats with a vested interest in maintaining the old system of state and collective farms.

Alexander and Galina Bozhko were allocated 30 acres of land by the state farm at a time when the leaseholding campaign was in full swing.

"*It was like being the first swal*lows of spring," Mrs. Bozhko said. "We heard the word 'lease' and were willing to experiment. But we gradually discovered that they had no intention of letting us run our own farm."

In the West, the term "lease" often implies that the holder can *farm the land as he sees fit,* as long as he pays the rent. In the Soviet Union, the vast majority of leaseholders have been obliged to sign contracts with the local state farm that drastically restrict their independence.

The Bozhkos, for example, were obliged to raise bullocks, then sell them to the nearby Progress Farm at *half* the market price.

"I was not allowed to hire any workers," said Mr. Bozhko, ex*plaining* the almost feudalistic system under which leaseholders are required to operate. "I was unable to buy animal feed, fertilizer and farm equipment because all that is in chronically short supply. And I did not have the right to sell my produce *on the open market.*"

The low point came when the *state farm failed to supply the* Bozhkos with sufficient quantities of animal feed for their cattle. In despair, the family managed to persuade an acquaintance who worked in a grocery store to sell them large amounts of low-grade kasha, a mush made from buckwheat groats. Galina spent many evenings boiling up kasha to feed to the animals.

Another headache was the resentment of the workers on the state farm over the reappearance of kulaks, the derisive Soviet word for private peasants. Once Mr. Bozhko discovered that someone had driven a harvester *over his wheatfield,* flattening the crop.

"People are prepared to put up with not living well, as long as their neighbor does not live any better," Mr. Bozhko said. "The fact that he works harder does not make any difference. When people see someone earn more money than they do, they start getting envious."

When *it became apparent that* the conditions imposed by the state farm were too restrictive to allow the Bozhkos to operate at a profit, the family tried to raise their own animals. The state farm chairman accused them of breaching their contract and demanded they return the land that had been leased to them. Mr. Bozhko has now resumed his old job as an engineer in nearby Rybinsk.

The debate at this month's Com*munist* Party congress in Moscow suggests that private property is still the ultimate ideological taboo. An opinion poll conducted among delegates to the congress revealed that 73 percent of those questioned oppose the introduction of private family farms.

ALBANIA: *Embassy Refugees Told They May Leave*

(Continued from page 1)

Tirana said that Albanian authorities had pledged to let embassy personnel accompany the asylum seekers as they picked up travel documents and left the country.

"A solution has been found," the Hungarian ambassador, Mihaly Kornidesz, said Saturday. "Passports will be issued, and embassy personnel will be allowed to oversee safe passage out of the country."

But only those accepted as refugees by foreign countries would be allowed to leave, the diplomats said.

The government reorganization was reported by the state news agency and state-run television. It said that after a two-day crisis meeting, the government had replaced the interior minister, Simon Stefani, by Hekuran Isai and the war minister, Prokop Murra, by *Kico Mustaqi.*

Mr. Stefani was seen as a hard-liner within the leadership. He has headed the security forces whose members opened fire last Monday on waves of asylum seekers who surged into embassy compounds.

The thousands of Albanians in the embassies placed a heavy strain Sunday on some missions, which lacked sufficient food and water. Albanian authorities were not allowing foreign governments to *send supplies, Western officials* said.

"The situation in our embassy, but in other embassies as well, has become intolerable," the West German foreign minister, Hans-Dietrich Genscher, said on West German television. He warned of an epidemic if things were not *changed.*

The Greek ambassador in Tirana warned that there was a "serious risk of trouble breaking out" during any evacuation.

He confirmed that the Greek *government* had taken military precautions along its northeast border with Albania. Greeks along the border said Albania had tightened security along the frontier in an effort to stop refugees from leaving.

The officer said Albanian guards have even shot escapees on Greek territory.

(AP, UPI, AFP, WP, Reuters)

SUMMIT: *Split on Aid*

(Continued from page 1)

port for his position from Prime Ministers Margaret Thatcher of Britain and Brian Mulroney of Canada. They share some of his skepticism that an aid program of up to $15 billion, as advocated by Chancellor Helmut Kohl of West Germany, will sustain President Mikhail S. Gorbachev's drive for political and economic changes in the Soviet Union.

Douglas Hurd, the British foreign secretary, said Britain did not believe that the Soviets had "the economic requirements in place" that would justify "putting huge sums of Western money into their pockets."

"Their pockets have got holes in them," he said.

Echoing the Pentagon argument already advanced by Mr. Bush, Mr. Mulroney asked why the West should send money to Moscow when the Soviets would "divert hard cash to Cuba."

Prime Minister Toshiki Kaifu of Japan is expected to stay out of this dispute. Japan has already foreclosed Soviet aid as long as Moscow occupies four of the Kurile Islands seized from Japan in the closing days of World War II. But Mr. Kaifu will be further inhibited by the fact that Japan is eager to *resume granting credits to China,* which were suspended last year by agreement among the seven after the massacre of pro-democracy protesters in Beijing.

This suspension will be reconsidered by the seven, which include the United States, Canada, Japan, West Germany, France, Italy and Britain. Taizo Watanabe, *chief spokesman for the Japanese gov*ernment, said Japan wanted to prevent China from "drifting into isolation."

If, as expected, the United States does not contribute, Mr. Kohl still will be looking for what one German diplomat called "a political signal in Houston to the Soviet Union that we are prepared to help."

A main topic for debate at the summit conference is exactly what *that signal* will be. U.S. Secretary of State James A. Baker 3d said Sunday that the United States wanted to "encourage technical assistance" to help the Soviets change their system, and that there was wide support for at least that. One U.S. official said a possible compromise could be a statement that sets out guidelines for Soviet aid, thus putting it under at least a small summit umbrella sought by Bonn.

An indication of the firmness of the U.S. position came from Brent Scowcroft, the president's national security adviser. He confirmed that President Gorbachev had sent a letter to Mr. Bush seeking help to "tide him over" the next few years. General Scowcroft said it would be "difficult, very difficult," *for the* United States to provide direct aid on a large scale.

Japanese Role Is Put to Test

Kaifu Faces Questions on Some Aspects of His Policies

By Patrick L. Smith
International Herald Tribune

TOKYO — The presence of Toshiki Kaifu at the Houston summit meeting will mark a political tri*umph at home for the Japanese* prime minister, and it will also be the most important test so far of his ability to represent his nation's interests in matters of global importance.

Mr. Kaifu arrived in Texas strengthened by the conclusion last month of a comprehensive trade agreement with the United States.

But he will be challenged at least as seriously this week by the threat of isolation on such issues as aid to *the Soviet Union, loans to China* and open agricultural markets.

That is a fundamental irony for *Japan and its leader, who came to* power in August 1989.

Most analysts expect this "first post-Cold War *summit meeting,*" as it has been billed, to underscore the increasing importance of Japan's economic and political participation in the reconstruction of global relationships set in motion last year.

As if to signal this, President George Bush met Mr. Kaifu in Houston for pre-summit meeting *discussions on Saturday, following* a meeting in London of North Atlantic Treaty Organization heads-of-government.

In so doing, Mr. Bush confirmed a relationship with Mr. Kaifu as special as that between Ronald Reagan and Yasuhiro Nakasone, the former Japanese prime minister.

But Mr. Kaifu is likely to be viewed as something of an enigma by the other summit meeting leaders.

He will be welcomed for his forward-looking perspective compared with many previous Japanese prime ministers, observers say, but he still faces concern that he may not yet have the influence or the *staying power to turn policy into* practice.

"Kaifu has played a very constructive role. That can't be questioned, especially with the structural impediments agreement is behind him," a Western diplomat said. "But we still have to ask whether he'll last, and whether he really stands for the nation or not."

Although Mr. Kaifu is expected to bring a range of economic concerns to Houston, officials stress *that the most serious issues facing* Japan in Houston are political.

With the meeting in view, policy planners have focused increasingly in recent weeks on changes in East-West relations and how Japan should fit into them.

Viewed broadly, Japan's chief concern is that it is "out of the loop," as a foreign analyst here said, with regard to changing attitudes toward the East bloc among the summit meeting partners.

The *danger is that Mr. Kaifu will* appear a peevish and inflexible Cold Warrior for insisting that its postwar territorial dispute over the Kuril islands be resolved before relations with Moscow can improve.

The summit meeting partners have shown little interest in the issue that has prevented Japan and the Soviet Union from signing a treaty ending World War II.

More immediately, Japan has been concerned that it is about to be left behind on the question of aid to the Soviet Union.

Tokyo has actively participated in East European assistance programs, notably with a $1.95 billion package Mr. Kaifu offered to Poland and Hungary earlier this year; but most Japanese vigorously oppose such aid for Moscow.

"We need to find a common approach to the reconstruction process in Eastern Europe," said Takehiro Togo, a director general at the Foreign Ministry.

"*But as far as government loans* to the Soviets and other kinds of substantial assistance go — we are against that."

Officials were disturbed last month when European Community leaders agreed at their Dublin summit meeting to consider propping up the Soviet economy itself.

Mr. Bush appeared in the talks Saturday to have made a point of standing close to the Japanese on the issue; but that is no guarantee *that U.S. support will not be tested* again in the future.

Mr. Kaifu is also expected to raise concerns voiced widely in East Asia recently that the concentration of advanced nations on events in Europe will reduce capital and investment flows to the region.

Japanese leaders have cautiously sought to assume the role of East Asian spokesmen since the late-1980s. The issues then were more local.

Now they are global, and political analysts believe Mr. Kaifu can only enhance his stature by raising *them at the summit meeting.*

More complex will be Tokyo's case for the resumption of assis*tance to China. In recent meetings* with Chinese officials here, Mr. Kaifu said Beijing would have to take further steps toward political change before an 810 billion yen ($5.36 billion) loan package committed last year can go forward.

But the prime minister's reluctance in saying so was apparent.

Tokyo would like a common policy on the issue to emerge in Houston. But officials said privately that unless Mr. Kaifu wants to risk isolation, *the most he can hope for is* broad acknowledgment of modest change in China and a gradual evolution of policy in individual Western capitals.

CHINA: *Bush Tells Kaifu U.S. Won't Block Aid Plan*

(Continued from page 1)

their reaching out to the Soviet Union," Mr. Fitzwater said.

Japanese officials said they were hoping that at the Houston meeting they would persuade the six other industrial nations — the United States, West Germany, France, Britain, Italy and Canada — that continuing sanctions against Beijing would only isolate the leadership and reduce chances for change.

The sanctions, including a ban on high-level contacts with Chinese officials and a freeze on development loans, were imposed at the Paris conference after hundreds of students and other protesters were killed in the June crackdown.

"*We can understand* the Japanese wanting to proceed, because of their unique relationship with China," a senior administration official said. "But we wish they would proceed in a more restricted form than they now envision."

Regardless of the position of its industrial partners, Japan is inclined to resume credit and aid to China independently.

"We're seeking a full understanding of the legitimacy of our argument at the summit," Taizo Watanabe, the chief spokesman for the Japanese government, said.

"But there does not have to be any written statement on the China issue this time," he said.

"Our position is that no one has forgotten Tiananmen Square, but there is more to be gained in terms of reform from an open-door policy toward China," Mr. Watanabe said.

Japan has been China's main source of aid and credit, and Tokyo had planned a $5.2 billion, five-year program of loans.

Starting last fall, Tokyo began *resuming some disbursements* under an existing aid program, but the freed money was earmarked mainly for items like food and drugs.

The Kaifu government is coming under mounting pressure from the Japanese business community to restart normal lending to Beijing.

And Japanese officials have signaled that Tokyo, with its strong links to its big Asian neighbor, is preparing to act independently of its Western industrial partners, if necessary.

"The Japanese want to change world policy on China, but they seem increasingly willing to go it *alone on this,*" said Edward J. Lincoln, a senior fellow at the Brookings Institution.

SOVIETS: *Gorbachev Heads Off Virtual Confidence Vote in Leadership*

(Continued from page 1)

divide the party, just continue this way," Mr. Gorbachev scolded, as delegates shouted for an individual accounting. "But think seriously *about it.*"

The congress also received the blunt message that many in the country consider the party gathering to be of minor value.

The Parliament of the Ukraine, the Soviet Union's second-largest republic, ordered home its 60 party delegates who also serve in the legislature.

The parliament voted overwhelmingly to cancel convention leaves for legislators because of the threat of a coal miners' strike and a heated debate in the republic over future relations with the central government in Moscow.

At the congress, two of Mr. Gorbachev's most trusted colleagues offered passionate defenses, as Politburo members were paraded to the podium to answer written and oral questions about their work.

Alexander N. Yakovlev, regarded as Mr. Gorbachev's co-author of new domestic and foreign policies, stood defiantly before the restive audience and warned hard-liners that they could not build a socialist world by decrees.

Accused by delegates of having "lost Eastern Europe," Mr. Yakovlev said Communist governments there were toppled not by a bourgeois conspiracy but by the popular will.

"We cannot repeal the fact that the volume of labor production in South Korea is 10 times higher than in the North, and that people in West Germany live better than in the East," he said.

Foreign Minister Eduard A. Shevardnadze, another Gorbachev confidant, encountered loud murmurs as he defended the govern*ment's acquiescence in the unifica*tion of Germany.

Responding to criticism from several military officers, Mr. Shevardnadze emphasized that Soviet arms reductions and troop withdrawals had been worked out in consultation with the military, and offered to show delegates documents signed by the defense minister and chiefs of the armed forces.

Mr. Gorbachev's military adviser, Marshal Sergei F. Akhromeyev, said in an interview during a break in the congress that military discontent with the retrenchment in Eastern Europe has been greatly exaggerated, and that the military loyally supports Soviet foreign policy.

Other military officers agreed, saying that while there was much bitterness about the career and housing problems confronting officers suddenly pulled from Eastern Europe, this did not amount to resistance to the policy itself.

Yegor K. Ligachev, the Politburo's leading hard-liner, took the podium in combative form Saturday, demanding that leaders who "push the country toward a free market" be the first to suffer unemployment.

He also complained that the Politburo's role had broken down in the last two years and charged that what was happening in Germany "is not a unification, but an annexation or rather the swallowing up" of East Germany by West Germany.

Vadim A. Medvedev, who has been in charge of ideology for the last two years, was heckled for failing to uphold Marxist-Leninist values and bombarded with questions.

"What kind of ideology was it if one person managed to ruin it dur*ing such a short period of time?*" he countered.

Mr. Yakovlev and Mr. Medvedev indicated that they would not be candidates next week when the congress selects a new Politburo.

Mr. Yakovlev said he would de*vote himself to his* work in Mr. Gorbachev's presidential cabinet.

In all, 6 of the 18 full and candidate Politburo *members* have disclosed plans to step down.

Mr. Gorbachev is expected to retain his post as party leader, although his earlier hopes of shaping a Politburo and Central Committee committed to radical change may not be fulfilled.

Herald Tribune
INTERNATIONAL
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Vision for a New Europe

After World War I the victors carved Europe into unstable pieces and imposed a peace that scarred winners and losers alike. Germany was truncated geographically, and doomed to poverty by reparations.

After World War II the victorious allies divided Germany, the Continent and their minds, triggering 45 years of cold war. The Soviet Union grabbed the eastern half of Europe; Britain, France and the United States created the NATO military alliance and a framework of economic cooperation.

On Friday in London the heads of NATO, led by President George Bush, began bringing the curtain down on the Cold War. They fashioned a peace with vision, one that will open the door to a democratic and reunited Germany, one that reaches out to a dangerously wobbling Soviet Union, one that promises a whole Europe from the Atlantic to the Urals and the Baltic to the Adriatic.

The key to this vision is not to make the loser of the Cold War, the Soviet Union, into a sore loser. The idea is to reassure Moscow and thereby create a partner that can complete arms reduction treaties, agree to making Germany whole and participate in a more secure Europe.

Moscow's military leaders are plainly unhappy about the collapse of their position in Eastern and Central Europe. And there is evidence that they have caused Mikhail Gorbachev to drag his feet in arms talks. The London communiqué might help break deadlocks on negotiations to reduce forces in Europe and cut strategic arms.

NATO's decision to adopt Mr. Bush's call to use nuclear weapons only as "a last resort" is likely to speed this process. To be sure, NATO will keep the option of employing these devices first and early. But the "last resort" proposal signals a declining reliance on nuclear threats, and sends a reassuring message to Europe as well as to the Soviet Union.

Moscow has moved ever closer to accepting the idea of a united Germany in NATO. Yet it is understandably concerned that the West, with its newfound strength, will isolate it. The communiqué does much to alleviate that concern. NATO leaders invite Mr. Gorbachev to address the alliance, and Warsaw Pact countries to apply for observer status. Soviet leaders responded to the offers enthusiastically.

These moves underline NATO's resolve to transform itself from a military into a political alliance that will not ignite historical Russian paranoia. NATO also has sensibly taken care to keep itself intact. Changes in the Soviet Union look irreversible, but hard-liners could make a comeback. Moscow pledges to reduce forces, but that process is only beginning.

Above all, alliance leaders proved in London that they are prepared to go beyond NATO. Their proposals to expand the purview of the Conference on Security and Cooperation in Europe point toward a Europe-wide security system. This larger vision inspires the realistic hope that this time, Europe could become whole and at peace.

— THE NEW YORK TIMES.

The NATO heads of government have been retooling selected aspects of the alliance for contemporary service as a vehicle of peace. A new declaration of peaceful intent is being prepared. Mikhail Gorbachev has been invited to address the organization. The "doctrine" guiding employment of tactical nuclear weapons is under review. A procedure for limiting the size of German forces in a reunited Germany has been proposed, and impetus given to the arms reduction talks. The 35-state Conference on Security and Cooperation in Europe is being broken in for political duty.

These are worthy projects, if of different weights. They should contribute to their first purpose, which is to address the anxieties that the Soviets say they have about seeing a reunited Germany be a member of NATO. This in turn is the key to the Soviets yielding up the formal rights in Germany that they retain as one of the victorious occupying powers of World War II and allowing German reunification to proceed. The process has been moving ahead rapidly and, given the immense dimensions and the potentially destabilizing nature of the change under way, remarkably smoothly. The openness of consultations within the West and between East and West has made this so, along with the general readiness to consider the interests and sensibilities of the other parties. American leadership has done its part.

All this is to say that NATO is showing once again that it is the preeminent international institution. It is not merely the agency of American influence in Europe, although it indubitably is that. For all of its earlier chronic "disarray" and its current tugs and pulls, it is demonstrably the agency of a collective Western will.

There is talk to the effect that with the passing of the Cold War NATO is obsolete and in need of replacement. But NATO has always been something more than a military alliance that was formed to answer a Soviet threat. It has been in the first instance a political alliance bringing together and holding together the Western democracies. The easing of the Cold War certainly diminishes (without ending) the military threat and compels substantial military adjustments — these will be especially demanding once reunification becomes a political fact in the all-German elections coming next December. But this does not at all diminish the fundamental idea of voluntary consultative democratic solidarity, and in fact may enhance it.

The contrast could not be sharper. The Warsaw Pact is a Kremlin-imposed alliance that in the absence of Soviet force is disintegrating if it is not already gone. NATO is a shared enterprise that continues to be the vessel of Western consent and that, in the ultimate tribute, some countries of the former Soviet bloc are now asking to join. NATO a shell? You could say it has never been more alive.

— THE WASHINGTON POST.

Help for Soviet Change

Secretary of State James Baker says the United States will not stand in the way of allies who want to offer aid to the Soviet Union. And the Bush administration is prepared to send technical assistance, but not to extend credits. That is an improvement on Defense Secretary Dick Cheney's outright opposition to aid. But it does not match the vision demonstrated by NATO leaders in London on Friday who charted a new course for the alliance and Europe. And it is too little and too slow to bolster Mikhail Gorbachev against bitter Old Guard assaults on his foreign policy.

Given the high stakes that the United States has in that policy, President George Bush would do better to join other Western leaders in pledging Western economic aid at this week's economic summit meeting in Houston. In return he would have every right to expect the Soviet leader to accommodate him by cutting military spending and aid to Cuba.

Mr. Gorbachev faces no sterner challenge from the Old Guard at the Communist Party congress than the question, Who lost Eastern Europe? Conservative critics like Yegor Ligachev blame Mr. Gorbachev and Foreign Minister Eduard Shevardnadze for the collapse of socialism in Eastern Europe. "What socialism?" Mr. Gorbachev lashes back. "A variety of the Stalinist authoritarian and bureaucratic system that we ourselves have abandoned." Mr. Shevardnadze gives no ground to critics, either: "It is high time to understand that neither socialism nor friendship nor good neighborliness nor respect can rest on bayonets, tanks or blood." And he likens the Old Guard's question to the notorious McCarthyite query in the 1950s, Who lost China?

But the Gorbachev-Shevardnadze defense of new thinking in foreign policy cannot rest on rhetoric alone. They need to show the Soviet people that withdrawal from Eastern Europe will yield other benefits, mainly Western economic help.

Mr. Bush says he has a hard time sending a big aid package to the Soviets when they are spending 18 percent of their GNP on defense and about $5 billion a year on Cuba. That is good bargaining, but he can drive a better bargain by using carrots as well as sticks. If he wants to encourage the Soviet move to markets, he does it best by joining the allies. That way he can help direct aid to enterprises that have a chance of promoting competitive markets. Failure to act with the allies could limit U.S. influence in shaping Europe's future.

Prompt and prudent aid from the West, in the expectation of further real reductions in Soviet defense spending and assistance to Cuba, could help Mr. Gorbachev and Mr. Shevardnadze defeat the Old Guard and thereby sustain a foreign policy that also benefits the West.

— THE NEW YORK TIMES.

Other Comment

A German Peace for Europe

Germany wants to get rid of all soldiers from its soil and will happily give up its own if this means getting rid of other people's as well. So last week's unequivocal declaration of peace by NATO should come as no surprise. It is what Chancellor Kohl of Germany wanted, and what Germany now wants, it gets. NATO, in effect, has committed suicide. The days of American troops on German soil are now numbered.

Of course peace is to be welcomed. But nothing is ever quite what it seems. It is through peace that Germany can now achieve the dominance of Europe. For in a disarmed Europe, where economic strength counts for everything, German economic power will carry all before it. So long as Western Europe was frightened of Russia, Britain and France, because of their nuclear armory, carried much clout. After last week's declaration of peace, their influence will count for far less. Indeed, it can now only be a matter of time before Germany mounts pressure on them to renounce their nuclear weapons altogether as the price to be paid to keep Germany non-nuclear. Against that background, Mrs. Thatcher's refusal to rule out recourse to nuclear defense made much sense. She is playing for time.

— The Sunday Telegraph (London).

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OPINION

Party Congress: Joking About Gorbachev

By David S. Broder

MOSCOW — Whatever happens in the final days of the 28th congress of the Soviet Communist Party, Mikhail Gorbachev is on an accelerating toboggan to political irrelevance. It is entirely possible, even likely, that communism will follow him out the door in the Soviet Union.

I say that not on the basis of any deep analysis of political trends, although there is plenty of evidence pointing to the eclipse of the current Soviet president and the system that sustains him. I am relying on a much more tested proposition — call it the Johnny Carson Law of Politics: Once you become a national joke, your authority is finished.

Mr. Gorbachev has become a joke. His nickname, a newly critical official at the Institute for U.S.-Canadian Affairs said, is "Baltun." It means roughly "Chatterbox" — someone who talks constantly and says nothing.

In another office in the Kremlin bureaucracy, I was told this story: Mr. Gorbachev and Yegor Ligachev, his great rival in the Politburo, buy some rabbits in the country, and Mr. Ligachev takes them back to his garage to raise. A few days later he calls Mr. Gorbachev. "The rabbits are starting to die."

Mr. Gorbachev tells him to draw a square in white chalk on the garage wall. A few days pass, and still the rabbits succumb. "Draw a triangle in green on top of the square," Mr. Gorbachev says. No luck. "Put a circle in red around the design." The deaths continue. "Make a big X in blue through the whole design."

"It is too late," says Mr. Ligachev. "They are all dead."

"What a shame," Mr. Gorbachev replies. "I have so many more ideas still to try."

As for the Communist Party, Vitali Korotich, editor of Ogonyok, a leading dissident publication, says, "I will tell you the story I heard from our magazine's driver:

"A fat general arrives at the station just as his train is leaving, and starts puffing down the tracks in pursuit. He sees Mikhail Gorbachev on the platform of the last car and shouts at him, 'Stop the train!'

"And Gorbachev says" — here Mr. Korotich made his voice very small — "'Train, stop. One, two.'"

"That," Mr. Korotich said, with a huge laugh, "is the famous Communist Party congress."

The impression is all but universal, from government offices to street corner interviews, that this 28th congress marks the passage of power away from Mr. Gorbachev and away from the party he leads. The utter and complete failure of the domestic economy, a fact of daily life far overshadowing the gains of perestroika and the reduction of tensions with the West, has doomed them both.

Mr. Gorbachev will remain as president. He could hold on as party chairman, if he is willing to accommodate the status-quo-minded conservatives. But real power is moving elsewhere: to the increasingly independent republics, led by Boris Yeltsin's Russian Federation; to the independent, anti-Communist city governments in Moscow and Leningrad and their slightly less venturesome cousins in such other major cities as Kiev; and to the non-Communist, market-oriented fledgling parties.

Even inside the party headquarters there is a degree of realism about the way the tide is moving. A senior party official named Igor Malaschenko told me: "We have succeeded almost too well in removing ideology from the country. And when all other 'isms' disappear, the one people turn to, most easily, is nationalism."

He professed to find some comfort in the situation. "Thank God we have Yeltsin's form of mild nationalism in Russia. Other kinds could cause much more trouble." And he argued that greater autonomy for the republics, some form of loose confederation, could speed the necessary economic reforms.

"It is impossible to reform from the center," he said. "The new design will be drafted largely in the republics. The rules of the game are changing. It's not going to be the old, centralized rule."

Others outside government think that this barely scratches the surface of the change that is coming. They see an accelerating crisis of legitimacy for the Gorbachev regime, even if he emerges this week as both head of state and head of party. Coal miners in the Ukraine, who have demonstrated their militancy in the past, have called for a brief work stoppage on July 11 to denounce economic conditions.

On July 21, leaders of all of the fledgling liberal — pro-market, pro-democracy — parties will meet here to see if they can rationalize and reduce the number of alternatives they present to the voters in future elections. They also will press their demand that the Communist Party yield its monopoly on state-financed offices, printing and communications equipment.

In the autumn, some speculate, there may be major political strikes, centered on the slogan that the Supreme Soviet — which elected Mr. Gorbachev as president — should be re-elected in multiparty competition. Should that happen, nationalists and reformers would almost certainly prevail in the three largest republics — the Russian Federation, the Ukraine and Byelorussia. That would leave Mr. Gorbachev truly a figurehead president for the balance of his term.

The Washington Post.

They All Know Soviet Communism Was Crazy

By Flora Lewis

MOSCOW — Waves of speeches roll by, reduced by the translator's monotone to a lulling sea song. It's hard to stay attentive.

The Central Committee propaganda wheel reads out extracts, remarkably precise and objective at that, looks up and says: "Oh dear, I've mixed up my papers. It doesn't matter; the speaker's point was that we have to overcome the crisis of socialism," and he went on to the next speech.

A woman delegate who works in a candy factory complained that "they gave 15 billion rubles to international health care and we spent 5 billion on health care at home last year, so you can see we're doing it all wrong."

There are calls for discipline, demands to strengthen the party, paeans to "the noble idea of socialism," innuendos about who lost East Europe, who lost Germany, who is stripping the Soviet Union of security.

And there is the general who says 84.6 percent of officers polled in Kharkov want the party out of the army, that communism is just a utopia, not realistic anyway, so the party should change its name to something about social democracy.

Foreign Minister Eduard Shevardnadze, in an impassioned speech, warned that there will be nothing left to defend anyway if the country keeps spending a quarter of its output on defense.

President Mikhail Gorbachev comments that the hard-line talk at the party congress does not represent the country, something that most people outside the Kremlin take for granted.

There are no surprises after all, nothing new at the 28th congress of the Soviet Communist Party, no doubt more argument than in the days when everything was a sacred secret with any peep of disagreement carefully muffled. But now that the congress is spread out in public, the real surprise seeps through only gradually.

It is recognition of the overwhelming futility of all these years, all these convictions. It is becoming so undeniable that it is hardly painful anymore to the onetime believers.

Once in a while someone mentions the tragedies in a kind of respectful way, a head bowed before the enormity of millions of deaths, torture, broken lives that cannot be grasped and cannot be denied.

But everybody knows now. The revelations no longer astonish because it is obvious that there was no limit to the lies that could be told.

Details are for those who like history. Even the line that it was all Stalin's fault, the aberration of a peculiar monster, has worn away. It is simply the past that was, and now what?

People have to be reminded how long ago they were allowed to notice the futility. It is a very short time. The outspoken paper Moscow News made its ironic point with a series of quotes from the 27th party congress in 1986, the year after Mr. Gorbachev's arrival in power — the platform for his reform program. "The main thing that will ensure us a success is the creativity of the masses, maximal use of the tremendous potential and advantages of the socialist system," Mr. Gorbachev said four years ago, a remark widely seen as hopelessly obsolete now.

The 1986 congress came and went "with the same mentality," the paper noted, proudly adopting a new program proclaiming that "the experience of the U.S.S.R. and other socialist countries convincingly demonstrates the indisputable socioeconomic, political, ideological and moral advantages of the new society as a stage in mankind's progress that is superior to capitalism and provides answers to questions that the bourgeois system is incapable of solving."

The congress "took care to preserve the essential reason for all our misfortunes, that is, totalitarianism," the paper says now. "It was meant to have a 'human face' and to be inspired with new ideas, but it was totalitarianism all the same."

An article about collective farms speaks of "the agricultural gulag" and calls it "a colonial state within the state" that "always means coercion."

But there was plenty of warning, it notes. It quotes Lenin: "For no revolution has ever been effected without coercion, and the proletariat has a right to exercise coercion in order to hold its own at all costs." The obvious conclusions are drawn.

And so the last claims, the last pretenses of justification for so much suffering, so much sacrifice, have drained away. That is the quiet news from the present party congress, even as the apparatchiks parade and pose.

People have killed and imposed terror since civilization began, but only occasionally have they swallowed the idea that it is the way to a better society for all. What a crazy idea. Whatever the party says, people here have caught on. Everybody should.

The New York Times.

From the Cold War to Global Economic Struggle

By Selig S. Harrison and Clyde V. Prestowitz

This is the first of two articles.

WASHINGTON — The Houston economic summit starting this Monday, at which Japan will play an unprecedented high-profile role, dramatizes the shift from the Cold War preoccupation with military power to a new global economic struggle in which the United States is steadily losing ground.

Despite this shift, in marked contrast to its cooperation with Moscow in shaping a new Europe, the Bush administration is ignoring the equally important new opportunity now emerging to restructure its obsolete Cold War policies in Asia.

Washington spends an estimated $42 billion a year to maintain its 135,000 military personnel in the Far East, plus $50 billion for its closely meshed Indian Ocean forces. Soviet proposals for sweeping superpower force reductions in the Pacific and Indian oceans have offered Washington a graceful way to downgrade this costly military presence and focus instead on the growing economic challenge from Asian competitors.

But the administration has rejected these overtures out of hand. Defense Secretary Dick Cheney has served notice that the "major portion" of U.S. forces now in the region will remain indefinitely "even if the Soviet Union is not engaged there." This flat rejection of arms control in Asia not only hampers the overall improvement of Soviet-U.S. relations. It also undermines America's economic bargaining position in dealing with Japan, South Korea, Taiwan and Southeast Asian countries.

For the last four decades, in return for their military and diplomatic cooperation, Washington has helped Tokyo, Seoul and Taipei build their economic power by accepting trade and investment relationships based on an implicit understanding that U.S. markets would be relatively open while those of its partners would be much more restrictive. Critical American technology and industrial know-how have repeatedly been transferred at low cost in the name of military imperatives. The tolerant U.S. attitude toward the recent Japanese acquisition of prohibited "star wars" technology and the disputes over co-production of the Japanese FSX and South Korean FA-18 fighter aircraft are only the latest examples of this behavior pattern.

Tokyo, Seoul and Taipei were quick to milk the security relationship for economic advantage. Until recently, however, Washington, mesmerized by the Communist specter, was blind to the shift in economic power. Japan's military "free ride" is a favorite target of American critics, but South Korea's meteoric economic rise has also been accelerated by American economic and military aid and the subsidy provided by U.S. military protection.

Preoccupied with China as a military threat, the United States pumped massive aid into Taiwan to build it up as a counterweight. Taiwan, like South Korea, continued to receive trade concessions under the Generalized System of Preferences until January 1989. Now the island has piled up $71 billion in foreign exchange reserves. Out of a $109 billion U.S. trade deficit in 1989, Tokyo ($49 billion), Taipei ($13 billion), and Seoul ($6.3 billion) accounted for nearly two-thirds of the total.

Was the subordination of economic interests to geopolitical priorities unavoidable in the context of the Cold War? Whatever history's verdict, Soviet readiness for far-reaching arms control measures now makes it possible for Washington not only to achieve significant budgetary savings but also to put economic priorities first and to strengthen its leverage with the East Asian capitals. In a more relaxed security environment the United States could formulate an integrated national economic strategy without worrying about whether it jeopardized military links. Moreover, in both Japan and South Korea looser security ties would relieve built-in tensions now multiplying as a result of differences concerning the nature of the security relationship.

While the U.S. response to the challenge of the Asian economies should come in the economic arena, Washington has in fact been making ever more insistent demands for greater defense "burden sharing" to offset high U.S. trade imbalances. Yet in Japan — which devotes only 5 percent of its budget to defense, compared to the 25 percent still spent by the United States — even conservatives accept "burden sharing" only to the extent that it means spending more on the defense of the Japanese home islands, not on the wider commitment to Pacific defense that undergirds U.S. military policy.

Nationalism is growing in Japan and is likely to take an anti-American direction if the United States fails to keep pace with growing sentiment in favor of a reduced superpower military presence. Defense Secretary Cheney has justified the U.S. presence by warning that "a vacuum would quickly develop" in its absence. But the concept of a vacuum to be filled smacks of the "white man's burden" mentality and casts the United States in the role of a gendarme ensuring stability in a region where it is increasingly excluded economically.

Privately, U.S. officials argue that a U.S. presence is needed to prevent Japan from dominating Asia militarily as well as economically, an argument that breeds resentment and feeds the fires of nuclear nationalism in Tokyo.

The Soviet Union is linking regional arms control overtures with exploration of a deal in which some or all of the Kuril Islands would be returned to Japan or placed under United Nations trusteeship in return for Japanese help in Siberia. But any Tokyo-Moscow agreement would presuppose U.S. concurrence in demilitarization of the islands as part of a process of regional tension reduction.

The first step in such a process should be the inclusion of naval arms control in global U.S.-Soviet arms control agreements. The United States should then encourage a Japanese-Soviet territorial settlement, work with Tokyo and Moscow to defuse tensions in Korea and encourage a variety of Asian arms control negotiations encompassing China and Japan.

In some areas American policies should be tougher, while in others they should be more flexible. The need for a firmer posture is particularly urgent in the case of military co-development and technology cooperation arrangements.

Mr. Harrison is a senior associate at the Carnegie Endowment for International Peace. Mr. Prestowitz is president of the Economic Strategy Institute. This comment was adapted by The Washington Post from an article in the summer issue of Foreign Policy.

A Wrong To Correct For Tibet

By A. M. Rosenthal

NEW YORK — In late September, the U.S. Congress will have a splendid opportunity to honor itself and the name of the United States — and correct a great wrong done to a monk who leads a nation from exile.

On Oct. 5, 1989, the Nobel Peace Prize was awarded to this monk, born Tenzin Gyatso in a Himalayan village and now the Dalai Lama, national leader of Tibet and the embodiment of its Buddhism. He won the prize for leading his nation's struggle for freedom from four decades of Chinese Communist captivity — without ever using the weapon of hatred.

He happened to be in the United States that day. He comes from time to time to preach to American Buddhists. The Bush administration, like American administrations before it, understood that showing respect to him would infuriate the Chinese Communists who have held his nation in brutal captivity since 1950. So the Bush administration ignored the Dalai Lama and the award given to him. This boycott was one of the more vulgar episodes of diplomatic toadying in modern American history.

Millions of Tibetans have died in slaughter, imprisonment and torture. Tibetans still die for freedom in their mountain towns and villages. They fight a particularly vicious occupation designed to wipe out not only their sovereignty but their religion and national memory as well. But we don't want to irritate the Chinese Communists, do we? So the U.S. executive branch keeps pretending that the Dalai Lama does not exist. He has never seen an American president.

One day I heard one of the Dalai Lama's few representatives in the United States say he was not permitted into the State Department. He did have the privilege of calling in once in a while to see if somebody would lunch with him, outside.

The envoys of all sorts of international goons and killers are bowed into the State Department, but the representatives of this good man are not even allowed close enough to press their noses against the windows.

But Congress does not feel that way. It has passed many resolutions expressing support and sympathy for the Tibetans. They carry no enforcement power, but they outrage the captors in Beijing. And they give strength to Tibetans at home and in Dharmsala, a northern Indian town where the Dalai Lama and his fellow refugees are permitted to live. In Dharmsala, Tibetans post the resolutions on the walls, so happy are they at any sign that the world remembers them.

That is history. This is news: Republicans and Democrats in both houses have been quietly talking about having the Dalai Lama address a joint session of Congress. Only four other foreigners who were not heads of government have received that honor: the Marquis de Lafayette, Winston Churchill when he was out of office, Lech Walesa and Nelson Mandela.

All the senators and representatives I spoke to said they thought the Dalai Lama had earned the honor and that Americans would want the stain of the boycott wiped out. But most of them brought up the big obstacle.

Traditionally the administration is asked its opinion of such a move. Given their record of kowtowing to the Chinese Communists, the Bush people will run screaming into the night at the very idea.

In both houses of Congress, new bills are being written to deny Communist China the low tariffs granted to most other states. That proposal already has been vetoed by the president and will be again. Again, Congress may not put together the two-thirds vote to override the veto.

But Tibetans should be treated separately and distinctly, as victims of an international crime still going on. Whatever happens to tariff legislation, the Dalai Lama and his people deserve at least a hearing, dignity, recognition — the three things that mean so much to all political prisoners.

The issue will land on the desks of Representative Thomas Foley of Washington and Senator George Mitchell of Maine. As speaker of the House and Senate majority leader, they will have to decide whether the administration's opposition should be automatically accepted as an irremovable veto of the desire of the majority of Congress to hear and honor the Dalai Lama. Senator Claiborne Pell of Rhode Island, Democratic head of the Foreign Relations Committee, says there is a 50-50 chance of an invitation to the Dalai Lama.

They have faced worse odds for decades, Tenzin Gyatso and all his people suffering in the Himalayas.

The New York Times.

100, 75 AND 50 YEARS AGO

1890: Prim in Detroit

PARIS — The determination of the Presbyterian ministers of Detroit that the youth of that flourishing town shall not be corrupted by nude statues is very touching. They have united in a remonstrance against the exhibition of nude statues at the Art Museum, and the directors have thereupon draped all their statues. By this time the Apollo Belvedere has doubtless been furnished with trousers, and the Venus with a complete set of "drapery."

1915: A Case of Spying?

NEW YORK — The U.S. government took possession [on July 8] of the wireless plant of the German company at Sayville, Long Island, on the ground that messages were being sent secretly in violation of American neutrality. The New York Herald recently laid charges with the Government that what purported to be commercial messages actually contained a concealed code used to inform German submarines in regard to the departure of vessels from New York.

1940: War Over Britain

LONDON — Aerial warfare continued at full blast yesterday [July 8] along England's southern coastline as well as over Germany and the Low Countries, while the rival land forces bided their time before the opening of a new phase in the battle for Britain. In the war at sea the Admiralty announced the loss of another destroyer, the 1,100 ton Whirlwind. The Admiralty said the vessel was torpedoed by a submarine and sank. The survivors were rescued by another British warship before the destroyer went down. All along the southern coast of this island relays of German bombers, some escorted by fighters, crossed the Channel to rain their missiles over the countryside. At least eight German planes were shot down from the summer skies, the Air Ministry said.

— From the New York edition of the New York Herald Tribune.

Herald Tribune INTERNATIONAL

Monday, July 9, 1990

Personal Investing

Latins, Himalayans Seek Market Heights

By David C. Lanchner

Paris

THE recently launched Latin American Investment Trust and the $100 million Himalayan Fund, sponsored by Banque Indosuez and listed on the London Stock Exchange in late June, push even further the question raised by the Austro-Hungary Fund and other emerging portfolios, namely, when if ever, is it too early to invest in an embryonic market.

The Himalayan Fund will invest 75 percent of its assets in India, a relatively established market that has roughly the same average daily trading volume as the New York Stock Exchange, with roughly 60,000 transactions per day and a total market capitalization of some 600 billion rupees ($34 billion).

But 25 percent of the fund has been earmarked for Bangladesh, Nepal and Sri Lanka where foreign investment in local stock markets remains essentially impossible, due to a range of restrictions ranging from outright bans to massive tax disincentives.

The most unusual aspect of the Himalyan Fund, which is already trading at a 5 percent premium to the value of its holdings, is that, with the exception of India, it effectively cannot invest in its chosen markets.

"We can't put a date or even an exact amount on initial investments in these markets," says Giulio Franzetti, one of the Hong Kong-based executives responsible for designing the fund. "It is our hope that gettting into these markets at the earliest point possible will help our fund get some extra performance," he adds.

The fund will probably soon get the chance to invest in Sri Lanka's stock exchange, which is the most developed of these peripherial markets. The government has already removed a 100 percent transfer tax on shares traded between foreigners and is expected to repeal an equally high stamp duty on foreign purchases from native stockholders. Indeed, in anticipation of strong foreign investment, the Colombo Stock Exchange has already risen a spectacular 90 percent this year. But even if the fund is able to invest, it faces the same frustrating Catch-22 that currently blocks significant investment in Hungary.

Annual trading volume is so anemic in Colombo that a half million dollar ivestment could swamp share prices, according to Mr. Franzetti.

In Bangladesh and Nepal the situation is worse. Government attitudes toward market liberalization are far from clear and average trading volume amounts to less than $5,000 a day. Even so, Mr. Franzetti is optimistic. "Mounting pressure from international organizations like the World Bank will ultimatiely result in open and fast growing economies," he predicts.

"The whole principle of investing in emerging markets is that economic and political reform is likely to lead to the growth of local stock markets," says Tony Ewell, an emerging markets analyst at Corporate Broking in London. On that basis the $100 million Latin American Investment Trust fits the criteria of an emerging market fund perfectly.

The fund, sponsored by Warburg's and London-based Latin American Securities Limited, is initally targeting Mexico, Chile, Brazil, Argentina and Venezuela and may later expand to other regional markets. The initial offering period ends Thursday when shares in the fund will begin trading on the London Stock Exchange.

"The clearest advantage that Latin American bourses have over the Hungarian stock market or many other emerging exchanges is that they are well established," says Audley Twiston Davies, the chief executive of Latin American Securities Company.

Unfortunately, Latin America as a region struggles under the heaviest debt burden and highest inflation rate in the world. The fund is the first protfolio specializing in the Latin American region that is open to private investors and was formed to take advantage of changes associated with Latin America's newly elected, free market oriented governments.

SUCCESS of the portfolio's investment strategy relies on the ability of these regional governments to break a vicious cycle of government budget deficits, debt and inflation. The five countries targeted by the fund have all adopted wide-ranging reforms aimed at restoring economic health but so far only Chile has been able to move beyond austerity and register strong economic growth. But it, too, still grapples with a monstrous debt load that siphons off money that would otherwise be invested in the economy.

"Latin America is one of the shakiest regions in the world," says Mr. Christensen of James Capel. Mr. Christensen counsels investors unsatisfied with returns in more mature markets to seriously consider investing a small percentage of their assets in emerging market funds. But, echoing the sentiments of other professional fund pickers, he advises investors to avoid focusing on particular countries or even regions. Narrowly focused, highly volatile funds strain the logic of taking reasonable risks, he says. "It is best to choose the most broadly bassied emerging market funds possible."

Two that are widely recomended by analysts are the New York listed Templeton Emerging Markets Fund and the London listed Genesis Emerging Markets Fund. These portfolios, which often trade at small premiums to net asset value, have a wide range of investments stretching from small Asian markets to Eastern Europe and Latin America. □

The Associated Press

The Budapest stock exchange reopens after 42 years.

1990 Major Stock Market Performances

Morgan Stanley Capital Indexes

Stock Market	% change (with gross dividends) Local Currency	Dollar Weighted
U.K.	0.0	8.3
JAPAN	-21.0	-25.0
HONG KONG	19.2	19.5
U.S.A.	3.6	3.6
WORLD	-7.2	-7.2

IHT

Lackluster performances by major world markets are prompting investment houses to promote more exotic options. IHT writers ask whether it is worth the risk.

Capitalism Returns To Hungarian Capital

By Martin Baker and David C. Lanchner

Paris

CAPITALISM in one of its purest forms — the buying and selling of corporate share capital — returned to Hungary last month after an enforced absence of more than 42 years. The Budapest Stock Exchange reopened June 21 to do business on a tiny, temporary trading floor. The new beginning, however, betokens great hopes: a refurbished, high-tech trading floor for the 35 broking outfits is some months off. The hope beyond that is for a refurbished, high-tech economy with a financial structure on which foreign investors can rely.

The Hungarian economy, like many of its cohorts in Eastern Europe, is in the throes of massive structural change. "Most Hungarian corporations are under-financed. They need foreign capital to get the momentum for growth," said Laszlo Lang, deputy director of the Hungarian Institute of International Affairs in Budapest.

Last week, for example, a newly formed steel group, Ozder Stahlwerke, sold 60 percent of its capital to two West German companies for an undisclosed sum, with the Hungarian state holding company, OKU, retaining the rest. The Hungarian government plans to privatize 30 state-run enterprises before the end of the year. There will, obviously, be no shortage of stocks coming to the new market, which at present lists just three shares and some 400 corporate bonds.

But the rediscovered novelty of share trading poses problems for investors. One is that the arcane science of bookkeeping is still largely underdeveloped in Eastern Europe. That makes financial information unreliable and assessment difficult.

It seems however that this too is changing. "Because companies need bank loans they are introducing a standard form of accounting recognized in the West," said Mr. Lang.

Hungary, then, might seem to be the greenest of green fields for the individual investor. Certainly there is no shortage of funds available for those who want in at the ground floor.

Merrill Lynch's $50 million Austro-Hungary Fund only finished its initial offering on Friday. It has not yet begun trading publicly but is expected to be listed on the Amsterdam Stock Exchange within the next week. As a closed-end fund with a fixed number of shares, its stock is capable of either lagging behind the value of the fund's actual investments or racing ahead, depending on investor demand.

"At least initially, the stock is likely to trade at a premium to net asset value because of investor enthusiasm for anything in Eastern Europe and for the very simple reason that it promises to provide the only window for individuals into the Budapest Stock Exchange," says Andrew Christensen, a unit trust adviser at James Capel in London.

But it is an open question whether or not the fund will be able to maintain any initial premium investors award it, mainly because its investment goal is so audacious. The first stage of the fund's blueprint, which calls for a $25 million investment in the Vienna Stock Exchange, poses little problem.

"Undoubtedly, we just can't go into the market and pick up $25 million dollars worth of shares," says Charles Lillis, of Merrill Lynch Capital Markets in London. Unless volume and the number of available shares picks up considerably, the half of the Austro-Hungary Fund's assets intended for aggressive equity investments in Budapest will languish in short-term money market accounts.

"To invest the 50 percent of funds we have set aside for Hungary we are dependent upon the pace of privatizations as well as the level of foreign and domestic investor interest," explains Mr. Lillis.

Even if the market does expand rapidly, the fund will operate under the burden of an economy struggling with massive foreign debt and an annual inflation rate running in the high 20s. "This is a high-risk investment," says Mr. Lillis, "but if Hungary, which has been stunted by more than 40 years of communist rule, is able to make up for lost time and grow rapidly it will also be a highly lucrative investment."

ROBERT Clarkson of Glasgow-based life and investment company Scottish Mutual takes a more cautious approach. Scottish Mutual launches its United Europe bond today — investors participate in a mutual fund and receive life insurance for a front end charge of 5 percent and an annual fee of 1 percent. But Scottish Mutual will not be investing in Eastern Europe.

"We may within a couple of years, and Hungary might well be the first," said Mr. Clarkson. "But I think it's a little early now. We're looking at the immediate profitability of some of those who'll be supplying the raw materials for the regeneration of the East."

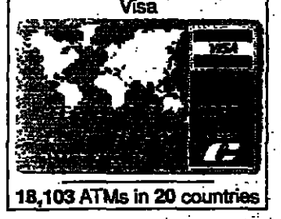
Richard Allison of Tyndall Investment Management in London claims a good experience in Budapest dealing. He bought stock in the travel agency Ibusz through a private placing; since then the price has doubled.

"I bought through an Austrian bank for the fund I manage, International Special Situations. I saw it not as a widows' and orphans' stock, but it looked like a good risk in a market that is by no means fully competitive."

Such one-of-a-kind portfolios may offer an opportunity to see investments double and triple within a few short years but they may as likely prove costly headaches for the agressive investors who buy them. □

CASH

European Cash Dispensing Networks



Visa — 18,103 ATMs in 20 countries

American Express — 11,500 ATMs in 14 countries

Eurocard (Mastercard) — 10,000 ATMs in 12 countries

Diners Club — 4,100 ATMs in 1 country

Common Eurocurrency Is Plastic Cash

By Sara McConnell

London

WILL Europe ever have a common currency? A motor trip from Paris to Copenhagen could require five currencies — French francs, Belgian francs, Dutch guilders, German marks and Danish kroner — just to keep the driver in coffee, sandwiches and gas. Hardly the best advertisement for a united Europe.

But the British Chancellor of the Exchequer, John Major, has attempted to catch the popular imagination with his proposal — politely but firmly rebuffed last week by the German Bundesbank — that EC countries should issue ECU banknotes for general circulation in the Community. One of the first benefits claimed for the so-called "hard ECU" would be to provide tourists and business travelers in Europe with a universally accepted convertible currency.

The closest European banks have come to a universal currency so far is through using technology to establish networks of cashpoint machines, accepting each others' credit or debit cards. Travelers can use a Visa, Eurocard (Access in the U.K., MasterCard in the U.S.), American Express or Diners' Club card to get money out of a current account or cash on a credit account in local currency through a cashpoint. The exchange rate charged is that prevailing on the day the cardholder takes out the money — and it is the interbank rate, generally better than the counter rate for notes.

The general manager of Visa International, Patrick Bowden, said: "Cards today are the nearest thing that there is to a universal currency. Cards will become much more important in the next few years, probably the largest single source of cash withdrawal and we will see Automated Teller Machine (ATM) networks expand significantly.

The two largest networks in Europe, Visa and Eurocard, are working to build a technological bridge to allow each other's cardholders to use their machines. But this will take some time. Meanwhile provision is patchy and tortuous negotiations are continuing between banking systems in different countries to expand the system.

American Express and Diners' Club, as non-bank card, issuers are having particular problems persuading the French member banks of the Groupement des Cartes Bancaires to give them access to their networks.

Cartes Bancaires are opposed to nonbank networks using ATMs because they allegedly cannot offer reciprocal facilities at bank networks of their own and have not contributed to technological developments. (Amex only owns 165 ATM machines worldwide although it has more than 11,500 shared ATM arrangements).

American Express is still negotiating with Société Générale to allow Amex cardholders to use Société Générale machines.

"This is an ongoing situation and we are in negotiation with Société Générale. But the outcome will be important for us as we want to expand our ATM network," said an American Express spokesman.

"The ATM network has expanded significantly in the last year or so and we now have shared network agreements with banks in France, Italy, Greece and Belgium as well as being in ongoing negotiations with Lloyds Bank in the U.K.

Reluctantly, Cartes Bancaires last year agreed to a limited accord between Crédit Lyonnais and Amex whereby cardholders with Amex cards in any currency except French francs would be allowed to use the network. The sticking point with Société Générale is that domestic cardholders would be included.

UNTIL this problem is resolved Amex cardholders are limited to Amex's own machines, normally found in railway stations, airports, or at Amex offices. Again, they may use machines owned by a small number of banks with which Amex has managed to conclude agreements — including Credit Bank (Greece), Bank of Scotland and Lloyds (U.K.) and Sistema 4B (Spain). A spokeswoman for Amex has agreed that it could be more difficult to find a machine that accepted Amex cards than bank-linked cards like Visa.

British holders of Diners' Club cards cannot at the moment use their cards at all as cash point cards, although their European counterparts have been supplied with PIN numbers giving them access to their Diners' Club charge accounts through machines on the LINK network in Britain. British cardholders should be issued with PIN numbers by the end of this year although Diners' Club refuses to commit itself to a date.

The Eurocard network is not fighting the same battles as it can offer reciprocal facilities through its issuing banks. But up until now Eurocard has only has agreements with Crédit Mutuel in France with 1,000 ATMs and SEMP in Spain with 5,001 outlets and is only just beginning to construct a more comprehensive network.

On July 1 it concluded agreements with banks in 10 countries, Germany, Denmark, Belgium, the Netherlands, Ireland, Israel, Italy, Andorra, Portugal and Britain, bringing its network up to 10,000 machines in 12 countries overnight. The Mastercard network in North America will be testing at the end of June and should be up and running in the next month barring any problems with the ATM technology. By summer of next year, most British banks will also accept cards from the Eurocard systems in their ATMs.

A spokeswoman for Eurocard described the development of the network as a "rolling program." Although the number and range of banks that accept Eurocards in Europe is limited, there are plans to expand.

TECHNOLOGICAL problems make this a piecemeal process as networks are not always compatible. This sometimes means that, for example, cardholders in France or Germany will be able to use their cards in certain machines not available to British cardholders.

Visa has by far the most comprehensive network of ATMs in Europe and looks likely to stay ahead of its rivals for some time. At the beginning of June it had a total of 18,103 actual or potential outlets in 50 countries.

In Germany, where the banking system is what Visa calls "conservative," banks are predominantly regional rather than national. The only bank accepting visa cards is a North German bank, KKB.

Even if a bank becomes an issuing member of the Visa network, it does not necessarily mean that it will immediately be willing or able to accept all Visa cards in ATMs. ATMs showing the Visa sign will accept both debit and credit cards like Barclays Connect or Carte Bleue and credit cards like Barclaycard. Visa charges a 1 percent service charge for international interchange but some member banks will put an extra charge on top.

There is a long way to go before any cardholder in any of the four major card issuing groups can rely on getting local currency from the nearest ATM. But as Visa International's Mr. Bowden said: "There will be more than one solution to the question of a universal cash system. Cards, ECUs and traveler's checks will coexist." □

UPDATE

Onshore Advice, Offshore Taxation From Swiss

LONDON stockbroker Buckmaster & Moore, the U.K. subsidiary of Swiss bank Crédit Suisse, is offering "onshore investment advice with offshore administration."

Investors with at least $175,000 are invited to work out their investment strategies with an adviser in the London offices of Crédit Suisse Buckmaster & Moore. Investments will be spread across a variety of stocks in the countries, which client and adviser agree are appropriate.

"What we're offering is investment skills. We're looking for the relatively small investor who wants a better quality of investment advice, which he or she may feel is more likely to be got from London rather than going direct to Switzerland," says Buckmaster & Moore's Paddy Ross.

The administration of investors' portfolios will be undertaken in Guernsey, the Channel island, which offers tax treatment favorable enough to justify the "offshore" tag.

The administration company is registered under Guernsey law, which provides a similar regulatory framework to that in the United Kingdom. Investors will not however be protected by the U.K. FInancial Services Act. But assessment of risk — inherent in any offshore investment — must include the fact that the parent company, Crédit Suisse has a "AAA" rating with leading credit agencies.

The annual administration charge is 0.5 percent on portfolios up to $3.5 million, with commissions varying according to the country in which stocks are purchased. CSBM indicates in a "simplified guide" that a typical commission in Japan would cost 1.2 percent, with Germany the cheapest at 0.5 percent, and Australia the most expensive at 1.65 percent of volume. A deal in the American market would cost 0.9 percent while a U.K. transaction is marginally more expensive at 1 percent. For very large transactions the client can negotiate a cut.

Details may be had from CSBM in London at 44-71-2477474 □

Sterling Yield From Big British Thrift

THE EC directive requiring total freedom of movement of capital came into force last week. So far, however, the supposed competition between European nations for the retail savings of one another's citizens has failed to materialize.

In the meantime European-based investors looking for high-yielding deposit accounts that do not levy witholding tax will find best value in Luxembourg and the British Channel Isles, principally Jersey and Guernsey.

The Halifax Building Society, Britain's biggest thrift institution with more than 8 million savers in the U.K., is offering a call deposit sterling account based in Jersey. The account operates outside the U.K. tax regime.

The account provides a compounded return of 15.03 percent on balances of £50,000 ($85,000) or more. The interest rate structure is tiered — thus the minimum starting deposit, £10,000, will yield a compound 13.96 percent, while balances above £25,000 will attract a return of 14.76 percent.

The various interest rates apply to the entire balance; a deposit of £30,000 will have one interest rate, 14.76 percent.

Details may be had from Halifax International (Jersey) Limited, Ingouville House, Ingouville Lane, St. Helier, Jersey, Channel Islands, JE4 8YZ. Tel: 44-534-59280 □

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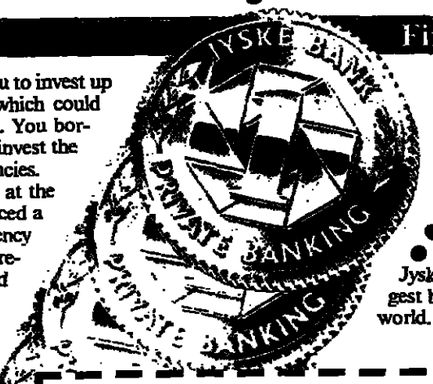

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207 404

A Wrong ... o Correct ... For Tibet

By A. M. Rosenthal

NEW YORK — In late Sept... ber, the U.S. Congress will be... unrivaled opportunity to honor ... the name of the United State... correct a great wrong done ... who seeks a nation from sl... On Oct. 5, 1989, the Nobel ... was awarded to this monk li... in Dharamsala in a Himalayan vil... the Dalai Lama, ... Tibet and the embodiment ... He won the prize ... nation's struggle for ... four decades of Chi... ... the weapon of hatred. ... suppressed to be in the ... ... comes from ... to American Buddhist ... administrations, like ... their showing respect to ... the Chinese Comm... have held its nations in ... since 1950. So the ... administration ignored the ... and the award given to ... Peace was one of the ... episodes of diplomatic ... modern American history. ... Tibetans have died ... imprisonment and ... ... for freedom in the ... towns and villages. ... permanently visible occupa... to wipe out not only ... identity but their religion and ... memory as well. How we do ... to imitate the Chinese Comm... do we? So the U.S. ... keeps pretending that the ... does not exist. He has ... an American president. ... day I heard one of the ... few representatives in ... United States say he was not ... into the State Department ... the privilege of calling in ... to see if somebody ... with him, outside. ... the envoys of all sorts of ... ... goons and ... are bowing ... State Department, but the ... natives of this good man are ... allowed close enough to ... to shake against the window. ... Congress does not feel ... passed many resolutions ... support and sympathize ... them. They seem to enhance ... how they oppose the ... And they give ... at home and in Denmark. ... leaders ... where the ... and Nelson Mandela.

50 YEARS AGO

1940: War Over Britain

WINE

Top Quality Bordeaux Cellar Is an Excellent Buy

By Jacques Neher

Paris

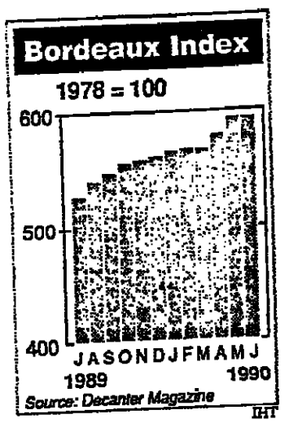
FUELED by claims that Bordeaux last fall turned out the "vintage of the century," the international market in fine wines has caught fire in recent months.

The investment-grade chateaux, putting the first tranches of their 1989 production on the market *en primeur* — futures contracts that call for delivery in two years — have almost sold out already despite record prices.

The excitement has spread to the auction market for older wines. Two other famous vintages of this century — 1945 and 1961 — have skyrocketed on the auction block since the start of the year, and interest has picked up on 1982, up until now considered the best vintage of the decade.

While wine connoisseurs are talking up 1989, the Bordelais have the potential for producing another superb wine in 1990, growers say. A mild winter and early heat wave resulted in early flowering this spring, guaranteeing that, as in 1989, the grapes will be ripe for picking perhaps a month earlier that usual.

"We know we're heading for harvest at the beginning of September," said Peter Sichel, a proprietor of Chateau Palmer. "What we don't know is whether these grapes will be diluted or rotted by rain. It all comes down to the last 30 days."



The excitement over the 1989 vintage began last fall as a result of the weather. An unusually hot growing season and a moderately dry August resulted in the earliest harvest in Bordeaux since 1893. Early tastings by the experts confirmed the optimism they had, based up to that point, on weather theory.

"There's no doubt that 1989 is an absolutely stunning vintage," said Tony Lord, publisher of Decanter, a British magazine on fine wines. "The structure of the wine — the balance between fruitiness, acidity, tannin, aroma, color — is extraordinary. Everyone says they've never come across a wine like this."

However, he notes, it is far too early to call 1989 the wine of the century. "Not only do we still have nine vintages to go in this century," Mr. Lord said, "but we'll need another 20 years to know just what the 1989's really taste like."

Nevertheless, the market was not willing to wait, with unusually high demand reported in France, which now takes about one-third of Bordeaux's top wines, and from the United States and Britain, which each take around 15 percent. Belgium, Switzerland and Germany are also major markets for Bordeaux's finest, with Japan small but gaining fast.

Britain's wine merchants say they sold out most of their allotments of the top classified chateaux as soon as they were offered.

"Before the prices were announced by the chateaux this spring, the demand was the strongest we'd ever seen," said Stephen Webb, an executive with Hungerford Wine Co., one of the largest *en primeur* wine merchants in Britain, which had sent out letters to its clients seeking prior commitments based on estimated prices.

"We sold out the first growths, and could have sold them three times over," he said, referring to the five chateaux — Lafite, Latour, Margaux, Mouton Rothschild and Haut Brion — that make up the top category in Bordeaux's official five-tier classification system.

The market did not flinch on price, either. The classified chateaux, acting almost in unison, lifted their prices 20 percent or more over 1988, which was considered a very good vintage. Currency exchange rates made matters worse, adding a 10-15 percent premium for the British because of the fall of the pound against the franc.

As a result, British wine-lovers and investors, buying *en primeur* this spring, handed over £550 pounds ($990) for the promise of a 12-bottle case of 1989 Mouton Rothschild, while the futures contract for that chateau's 1988 wine sold at £350 pound. With customs duty and value added taxes tacked on, the actual price of the 1989 wine at delivery in 1992 will be £644 — or about £54 a bottle.

"Although the prices are high, the quality of the best wines is such that no lover of great wine can afford to ignore them," wrote John Armit, a London specialist in investment wines, in his June review of the 1989 vintage.

Buyers can still find futures for some of the top classified chateaux, though merchants advise that they will have to shop around. At the end of June, for example, John Armit Wines Ltd. reported it still had some stock left for Lafite and Latour, as well as "two cases of Margaux."

Nicolas, the large French wine retail chain, reported ample supplies of the top chateaux. It was offering a case of Mouton Rothschild at 4,933 francs ($890), tax included.

Despite the astronomical prices, if pricing patterns of recent times continue, investors buying *en primeur* have a good chance of profiting down the line, especially if they stick to the top classifications among 60 or so red bordeaux wines considered of investment grade.

"Rather than buying three cases of a fourth growth, investors are better off with one case of a first growth — if they can find one," advised Paul Bowker, associate director of the wine department at Christie's, the London auction house.

A first indication of the appreciation potential will come in two years, when the chateaux put most of their remaining stock on the market — they released around 60 percent for *en primeur* sales. Already, some experts predict that the offering price may be 30-40 percent higher by then.

Typically, however, wines should be considered a long-term investment of at least 5 to 10 years, experts say. "If you bought 1985 *en primeur* and try to sell now, you'd lose," Mr. Bowker said. "But if you wait a few more years, you'll probably make money." At recent wine auctions, the 1985 first growths have been selling in a range of £350 to £440 a case.

Meanwhile, after five years of stagnation, the market for older wines has taken off since the start of the year, boosted by a surge of interest by Japanese and Scandinavian buyers.

"Mouton Rothschild 1961 has leapt over 4,000 pounds a case and has established itself at that new level," Mr. Bowker said. Last year, that same wine was selling at £2,000-£3,000 a case.

Even more impressive, a case of Mouton '45, selling two years ago at £3,500, went at auction in April at £10,500. Since then, single bottles, selling at £300-£400 last year, are now fetching up to £900.

The auction houses also report strong interest in the fruity 1982 vintage, which, at £700-£1,000 a case for the first growths, is beginning to look attractive relative to prices on 1989, especially since it will be ready for drinking in a few years, while a wine like the 1989 Chateau Latour is not expected to reach its prime until some time between 2005 and 2025. □

Choice Vintages for Taste and Profit

THOUGH a good return on investment is most likely with the five first-growth wines, similar drinking quality and some return can often be found at one-half or even one-third the entry price.

Here are a few picks from British wine merchant John Armit on some wines produced in 1989 from well-known, but perhaps less prestigious, classified Bordeaux chateaux — the second-to-fifth growths — along with his company's *en primeur* prices:

- Chateau Gruaud Larose, second growth, £240 per case: "This is one of the best wines in the vintage. . . It has a massive structure, is powerful and intense, yet complex. . . One of the greatest wines made in the Medoc in the last 10 years."
- Chateau Cos d'Estournel, second growth, £240 per case: "With a very deep color and a delightful, toasted, rummy bouquet, this is a wonderful wine with an intense flavor of ripe fruit, opulent and concentrated."
- Chateau La Lagune, third growth, £125 per case: "The 1989 is dark ruby in color and has a pretty plum-like aroma. It is harmonious, round, plump and full of ripe fruit, but with plenty of tannin to balance the fruit. . . A wine of enormous charm."
- Chateau Clerc Milon, fifth growth, £150 per case: "An extraordinary wine, voluptuous, ripe, round and seductive with the complexity and intensity that is the hallmark of a great wine. . . I tasted it with Mouton Rothschild and thought it was the better of the two wines, although in the long term no doubt, Mouton will prove superior."
- Chateau Lynch Bages, fifth growth, £235 per case: "A genuinely great Lynch Bages. . .deep in color and with a lovely, toasty bouquet, it is a generous, supple, voluptuous, ripe, full-flavored wine." □

Sygma

Pickers gather grapes for vintage Bordeaux.

FUNDS

Top performing 25 funds from Belgium, Britain, France, Germany, Luxembourg, Spain

Value of 100 ECU invested between 1/06/89 and 1/06/90

[illegible]	171.46
[illegible]	164.40
[illegible]	159.21
[illegible]	152.38
[illegible]	141.54
[illegible]	140.98
[illegible]	140.69
[illegible]	140.52
[illegible]	140.13
[illegible]	139.63
[illegible]	138.91
[illegible]	138.41
[illegible]	137.24
[illegible]	137.17
[illegible]	137.16
[illegible]	136.88
[illegible]	136.80
[illegible]	136.77
[illegible]	136.71
[illegible]	136.50
[illegible]	136.36
[illegible]	136.26
[illegible]	136.19
Thornton European Opportunities	135.01
Unifunds	134.85

Prices exclude front end charges. Income reinvested.

Source: Micropal

THIS table shows the best returns to be had from mutual funds available in six EC countries from June 1,1989 to June 1, 1990. The prices shown are converted into ECUs, an amalgam of European currencies, to give a uniform basis for comparison.

In June 1989 the ECU was worth around $1.03, but the dollar's subsequent slide against the European currencies has seen the ECU priced around $1.23 today. The investor who made an original commitment by converting dollars will therefore have a currency gain of slightly less than 20 percent to add to the figures shown.

Funds invested in the mainland European markets — principally France, Germany and Spain — dominate the top 25. This is partly a reflection of strong market performances, particularly from the French market, and the underlying strength against the ECU of the currencies in which the various stocks are quoted.

The big surprise, given the weakness of the yen and the minor catastrophes suffered by the main Tokyo market early this year, is the appearance of Japanese funds at the very top of the table.

"Japanese smaller companies did well," said a spokesman for top-performing NM Unit Trust Managers. "The secondary market and the over-the-counter market both managed impressive gains in local currency terms."

The NM fund is managed out of Tokyo by Mr. Takao Uratsmi and "concentrates on stocks with reliable income growth," a spokesman said. □

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EUROBONDS

Germans' Joy May Wane As Cost of Union Mounts

By John J. Duffy
International Herald Tribune

PARIS — Despite the raucous welcome in financial markets for German monetary union last week, many analysts say the joy is likely to be short-lived. The cost of merging the two Germanys, they say, is likely to be far higher — and the strain on the German economy more severe — than most investors appear to anticipate.

"There is a whole lot that the markets have yet to come to grips with in terms of how much this will all cost," said Nigel Rendall, European economist at James Capel & Co. in London.

When the strains posed by union begin to become evident, he said, "it will be very difficult for the Bundesbank not to raise interest rates." If the German central bank hesitates, he added, "the mark will become a very big sell."

The Germans are 'papering over a lot of cracks' to achieve unification.

German financial markets were in no mood for such gloomy thoughts last week. On the slimmest of evidence that East Germans appeared to be saving rather than spending their new Deutsche marks, German shares spurted nearly 2 percent on Monday and 1 percent on Wednesday.

Yields on long-term German government bonds, which climbed from 7.75 percent to nearly 9 percent earlier this year on fears of union-linked inflation, tumbled as prices rose. The mark gained more than a pfennig against a weak dollar.

More important, the government launched its first German Unity Fund bond issue to a warm investor reception. The start of a 95 billion DM borrowing program to finance the reconstruction of the East German economy over the next four and a half years, the 10-year bond was priced to yield 8.60 percent. Although the yield represented no premium to a normal 10-year German government issue, the issue was a quick sellout.

Analysts said investors who are expecting the smooth beginning to German monetary union to persist indefinitely are in for a rude awakening. The foremost problem, they said, is the cost.

"All the estimates of how much German union will cost will *prove to be far too low," said Brendan Brown, chief economist at* Mitsubishi Finance International Ltd. "And as cost estimates rise, so will interest rates."

MR. BROWN SAID financial support for East Germany is likely to cost the Bonn government between 3.5 and 4 percent of gross domestic product each year over the next several years — far higher than current estimates of between 1.5 and 2 percent.

In addition to the strain that heavy government borrowing will place on German capital markets, monetary and political union will add demand pressures to the German economy that will be hard to absorb, analysts said.

Even if East German consumers only spend half of their new Deutsche marks, for example, it will boost consumer spending in an already buoyant West German economy by about 5 percent, analysts said.

And as unemployment continues to rise sharply in the East, West Germany is likely to receive a huge new influx of immigrants, stoking demand for housing, used cars and other basic items that are already in short supply.

The Organization for Economic Cooperation and Development, in a report released last week, said monetary union is likely to add about 1 percent to West German economic growth.

The report said that the combination of gradually tightening monetary policy and an openly expansionary fiscal policy could draw capital flows into West Germany, which would ease the pressure on the capital markets.

But it warned that in the event of substantially higher costs associated with monetary and political union, "It would probably be *difficult to avoid higher taxes and/or social security contributions*" to make up the difference.

In its 1991 budget released last week, the Bonn government estimated its net borrowing requirement for next year at 31.3 billion DM, up from from an estimated 31.0 billion DM this year. After 1991, Bonn optimistically expects its borrowing to drop to 24 billion DM in 1992 and 11.6 billion in 1994.

Economists — even those who find Bonn's borrowing estimates to be reasonable — generally find the entire scenario of steady growth, low inflation, huge borrowing and stable interest rates to be difficult to accept at face value.

"They're papering over a lot of cracks," said Warren Oliver, European economist at UBS/Philips & Drew. Mr. Oliver said those cracks will begin to become clear to investors in the fall when the depth of the East German unemployment problem becomes evident and growing signs of West German inflation prompt the Bundesbank to boost rates.

CURRENCY RATES

Cross Rates

July 6

	$	£	D.M.	F.F.	Lire	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.862	2.3225	1.1567	0.3357	0.1534 *	—	3.477 *	1.2289	1.2377 *	1.599	1.316 *
Brussels	33.3975	41.6375	20.561	5.7365	2.8062 *	17.3695	—	24.2775	0.2249	29.2525	23.54 *
Frankfurt	1.6532	2.061	—	0.2977	0.1364 *	0.88	4.963 *	1.1885	1.0935 *	1.4168	1.431 *
London (c)	1.705	—	2.0563	0.5165	2.1441.88	1.7283	40.695	2.259	208.625	2.879	189.88
Madrid	161.365	180.949	87.33	30.267	8.583 *	56.67	3.983	77.273	67.864 *	97.88	—
Milan	1,521.65	2,142.49	732.38	238.45	—	451.21	34.651	865.89	8.88	1,040.38	n.a.
New York (b)	—	1.7845 e	1.4522	0.345	1,571.485	1.56	33.965	1.299	151.78	1.1417	101.25
Paris	5.1525	9.189	3.3552	—	0.4579 *	2.7087	8.1433	2.3886	2.1699 *	4.203	5.674 *
Tokyo	128.15	269.07	91.24	27.21	13.246	81.04	4.4423	107.67	—	129.74	1.0969
Toronto	1.1417	2.859	0.7028	0.2384	0.098 *	0.6229	2.628 *	0.8306	0.7665 *	—	1.347 *
Zurich	1.3975	2.499	0.8625	0.2928	0.1215 *	0.7527	4.1369 *	—	0.9284 *	1.2837	1.2797 *
1 ECU	1.2928	0.7889	2.8849	4.9346	1,515.98	2.3225	42.8941	1.731	188.925	1.4566	126.719
1 SDR	1.3253	0.748	2.2874	7.4878	1,619.23	2.48	45.3849	1.8398	201.57	1.5554	130.357

Closings in London and Zurich, fixings in other centers; New York closing rates. Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5388.2	Greek drac.	161.597	Mex. peso	2839.01	S. Afr. rand	2.44
Austral. $	1.2323	Hong Kong $	7.781	N. Zealand $	1.8949	Saudi rabia*	0.3772
Austr. schil.	11.62	Indian rupee	17.485	Norw. krone	6.351	Sand. krone	5.39
Brazil cruz.	64.39	Indo. rupiah	1845.02	Phil. peso	23.84	Tolerne $	28.75
Chilean peso*	4.72	Irish $	0.6179	Port. escudo	144.50	Thai baht	25.64
Danish krone	6.2915	Israeli shek.	2.51	Saudi riyal	3.7501	Turkish lira	2027.00
Egypt. pound	2.7084	Kuwaiti dinar	0.2974	Sing. $	1.8305	UAE dirham	3.67
Fin. markka	3.873	Malay. ring.	2.706	S. Kor. won	717.91	Venez. bolfv.	48.86

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7748	1.7642	1.7551	Canadian dollar	1.1696	1.1746	1.1791
Japanese yen	150.93	150.84	150.75	Swiss franc	1.3989	1.3988	1.3970

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	July 6	June 29	Close
DJ Indus.	2,904.95	2,880.69	+0.84 %
DJ Util.	206.11	210.81	—1.86 %
DJ Trans.	1,140.69	1,142.70	—0.18 %
S & P 100	339.63	341.43	—0.53 %
S & P 500	358.42	359.09	—0.19 %
S & P Ind	422.32	422.06	+0.06 %
NYSE Cp	195.78	195.48	+0.15 %
Britain			
FTSE 100	2,240.00	2,274.60	—1.46 %
FT 30	1,865.00	1,883.70	—1.00 %
Japan			
Nikkei 225	32,445.00	31,840.00	+1.58 %
West Germany			
DAX	1,932.80	1,879.90	+2.81 %
Hong Kong			
Hang Seng	3,357.61	3,278.24	+2.42 %
World			
MSCIP	523.30	518.50	+0.93 %

World Index From Morgan Stanley Capital Intl.

Money Rates

United States	July 6	June 26
Discount rate	7.00	7.00
Federal funds rate	8 5/16	8⅛
Prime rate	10.00	10.00
Japan		
Discount	5¼	5¼
Call money	7 9/32	7 14/32
3-month interbank	7 7/16	7 14/32
West Germany		
Lombard	8.00	8.00
Call money	8.05	8.05
3-month interbank	8.15	8.15
Britain		
Bank base rate	15.00	15.00
Call money	14⅝	15.00
3-month interbank	15.00	14 31/32

Gold	July 6	June 29	Close
London p.m. fixing	361.15	352.20	+2.54 %

U.S. Reveals 'Worst Case' in Thrift Saga

By Jeff Gerth
New York Times Service

WASHINGTON — An Arizona insurance executive with a history of legal and regulatory problems was allowed to buy 15 insolvent Texas savings and loan associations with borrowed money in 1988 and was promised $1.85 billion in federal subsidies in what congressional investigators call the worst abuse found in the U.S. thrift bailout program.

Government documents show that the businessman, James M. Fail, of Phoenix, put up *only $1,000 of his personal money* and borrowed the rest of the $70 million he needed to buy the institutions, some of the money from outside sources and some from his own insurance company. *He then consolidated the institutions* into Bluebonnet Savings, based in Dallas.

Last year, with the help of the first $250 million of federal payments pledged over 10 years, Bluebonnet was the most profitable large thrift in the United States.

"In all my years in public office," said Senator Howard M. Metzenbaum, an Ohio Democrat, "I have never seen such an abandonment of public responsibility as in the S&L deals in 1988, and the Bluebonnet deal is an abomination, the worst case we have found."

Mr. Metzenbaum is chairman of a Senate Judiciary subcommittee that has scheduled a hearing on the matter for Monday.

M. Danny Wall, who was chairman of the Federal Home Loan Bank Board at the time of the deal, and other former officials of the agency, *insisted in interviews that there was nothing* improper in their handling of the sale.

Mr. Fail declined to be interviewed before leaving for a business trip to Europe.

Clifford G. Smith, an executive with Mr. Fail's company, Lifeshares Group Inc., responded to a letter with questions for Mr. Fail by writing that Mr. Fail would consider an interview on his return to show "how he can most effectively demonstrate to you the consistent propriety of his action."

Investigators for Senator Metzenbaum's subcommittee on Antitrust, Monopolies and Business Rights are trying to determine why the bidding process involving Mr. Fail was quickly concluded, why some bank board officials who raised questions were excluded from the process or overruled, why a bidder who would have saved the government $97 million was eliminated and what role was played by an aide to President George Bush who represented Mr. Fail before the board. The investigators also want to know why companies controlled by Mr. Fail lent the Bush aide, Robert J. Thompson, more than $500,000 in 1989.

Mr. Metzenbaum is among the members of Congress who say that the subsidies paid to entice investors to take over ailing savings institutions were too generous and amounted to a government giveaway to the affluent.

New information that has emerged on the deal with Mr. Fail is likely to nourish the argument between the Bush administration and

See FAIL, Page 11

China Records $2.56 Billion Trade Surplus

Reuters

BEIJING — China has slashed imports and increased exports to post a trade surplus of $2.56 billion in the first half of this year, reversing a sizeable deficit last year, the government reported Sunday.

The official Xinhua news agency, quoting customs statistics, said *exports rose 15.4 percent from the* year-earlier period, to $25.65 billion. Imports fell to $23.09 billion in the half, the agency said, a de*crease of $4.95 billion from the* same period last year.

The surplus contrasts with a deficit of $5.78 billion in the first half last year and is expected to help Beijing repay its $40 billion of foreign debt, much of which falls due over the next three years.

Exports have profited this year from a 21 percent devaluation of China's currency, the yuan, against the dollar last December. A sharp drop in inflation from last year's levels has made Chinese goods cheaper abroad.

The drop in imports was a result of a general economic slowdown in China since last year and tougher administrative controls.

Authorities have erected bureaucratic barriers to foreign cigarettes, cars, televisions, tape recorders, re*frigerators and other consumer* goods by procedures such as instructions to state-owned import companies restricting their purchases.

One boost to exports this year has been trade with Taiwan. In the first five months, shipments there *totaled $86 million, an increase of* 221 percent from the same period a year earlier.

Although officially banned by Taiwan, trade through third countries has begun to spiral in recent years as animosities between Taipei and Beijing have eased.

Exports to all nations of textiles, machinery, cement, coal, toys, refined oil and medicine gained during the first half of the year. But silk, cotton, grain and tungsten ore sales abroad fell, the agency said.

Improvements in China's trade *balance have boosted foreign ex*change reserves,

Saudis Seek To Mediate OPEC Fight On Output

Compiled by Our Staff From Dispatches

BAGHDAD — King Fand of Saudi Arabia sent his oil minister to Iraq on Sunday in an attempt to resolve Baghdad's oil dispute with Kuwait and the United Arab Emirates, diplomats said.

They said Oil Minister Hisham Nazer delivered a letter to President Saddam Hussein of Iraq that dealt with ways to reduce a worldwide petroleum glut that has re*duced the value of crude oil prices* by 30 percent this year.

An Arab diplomat based in Baghdad added that the letter was designed to ease the *tensions* raised last month, when Iraq accused the United Arab Emirates and Kuwait of flooding the market.

Mr. Nazer visited those countries last week. Mr. Hussein's warning to the two producers was the first time in a decade that Iraq has attempted to displace Saudi Arabia from its position as the leading maker of policy in the Organization of Petroleum Exporting Countries.

Petroleum Minister Mana Said Oteiba of the United Arab Emirates has rejected Mr. Hussein's allegation. But Mr. Oteiba has insisted his country should have an OPEC quota of at least 2 million barrels a day. That is twice its cartel quota but about the level it is estimated to be pumping.

Oil Minister Rashid Salem al-Ameeri of Kuwait said after talks with the OPEC president, Sadek Boussena, in Algiers last week that his country has shifted priority to rescue the market. He said Kuwait would return to its quota of 1.5 million barrels a day from a level sources have estimated is about 300,000 barrels higher.

Overall OPEC production in June has been estimated at 1.2 million barrels a day above the 22 million level sought in May, and prices have fallen as much as $4 below the cartel's reference rate of $18 a barrel.

Last month, Iraq urged the 13-member oil producers group to adhere to its quotas. It said it wanted to raise prices to $25 a barrel.

Separately, the Egyptian news agency quoted sources at the Organization of Arab Petroleum Exporting Countries in Kuwait as saying that latest oil discoveries in the center of Saudi Arabia were part of a "giant oil field containing reserves estimated at more than 30 billion barrels."

The news agency also quoted a study released by OAPEC as saying that the Arabian-American Oil Co., which produces most of the Saudi Arabia's petroleum, aims at increasing the production capacity up to over 10 million barrels per day by 1995. *(Reuters, AFP, UPI)*

■ Norway Strikes End

Statoil, the government-owned energy company, said its oil and gas output was returning to normal over the weekend after six days of strikes, Reuters reported from Oslo.

After the government outlawed a strike by the biggest Norwegian oil workers union, about 1,000 employees began wildcat actions. They blocked helicopter pads to prevent other workers from reaching the oilfields.

Walt Disney Guards Its Turf

By Paul Richter
Los Angeles Times Service

LOS ANGELES — It has been 79 years since a gentle Scot named John M. Barrie wrote "Peter Pan," and three and a half years since the expiration of copyrights on the children's tale of fairy dust and far away.

But Walt Disney Co. has considered the story its own since it created the first cartoon version, and Disney was not amused last year when it learned that CBS was planning a Peter Pan cartoon show. Disney Studios Chairman Jeffrey Katzenberg *lost no time calling Kim LeMasters,* then CBS' programming chief, and Howard Stringer, the network's broadcast division boss, to tell them *that Disney didn't want anyone doing* such a show.

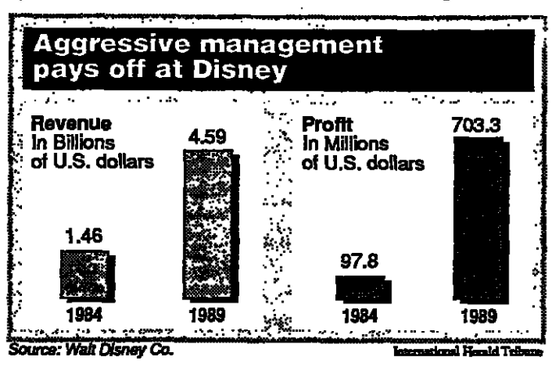
Mr. Katzenberg says he simply asked CBS to give up the series "if it isn't of the essence to you." Other knowledgeable sources say he threatened "all-out corporate war."

Whatever was said, CBS quickly abandoned the show, agreed to pay the producers a compensating fee and gave them substitute production work, sources say. Mickey Mouse had bared his teeth and gotten his way.

In recent years, Walt Disney Co. *has made a name as the world's* most successful entertainment company, a hugely profitable and innovative corporate juggernaut. But to some, the master marketer of children's fantasies is also the toughest of Hollywood's bare-knuckle fighters, a company that uses its vast resources and unique franchise to continually press its advantage.

The critics see a pattern of bruising tactics in Disney's many battles. Disney has shown itself willing to take on other rival entertainment companies again and again, in court and in the market.

In its efforts to hold down filmmaking costs, Disney has faced off against Hollywood agents and lawyers *with a toughness that sets it* apart from other studios, the critics say. And in central Florida, where Disney's economic power has made it a great benefactor, the company has also shown that it is willing to stymie the plans of government and its neighbors — from mass transit systems to low-income housing — if those plans interfere with its ambitions.



Disney executives deny that they are too tough and say some complaints arise because the world does not measure them as it would other businesses.

"We are held to a higher standard in every area," Mr. Katzenberg said in a prepared statement. "When we misstep — when we make an error — it can be blown out of proportion, since it is not acceptable for Disney to ever make a mistake. I think everyone expects us to be letter-perfect. And you know what? That's what we would like to be."

Perhaps most prominent among the company's critics are the heads *of some rival entertainment* companies, who have run afoul of Disney repeatedly in recent years and assert that the company has gone *too far.*

Barry Diller, chairman of Fox Inc., for example, said he believes that Disney's tactics are an "odd, *self-destructive thing." He said* such actions are "not needed from a company that's succeeded as brilliantly as this one has." Sidney J. Sheinberg, president of Universal Studios' parent, MCA Inc., said Disney "isn't just aggressive. They have crossed the line."

Disney's defenders — and they are numerous, too — say the company is no tougher than others in an industry that has been known for an eye-gouging, kidney-punching sort of competition since the days of L.B. Mayer and Harry Cohn. They say Disney is taking the heat because it has tried to roll back Hollywood pay, because it has outperformed rival show business conglomerates and because the public expects not just fairness, but saintliness, from the creator of Mickey and Minnie.

Disney executives do not try to present themselves as angels, but talk about the special complexities of their dealings with other businesses.

From where they sit, a company *as successful as Disney must not* only work hard to keep growing but must also constantly defend itself from the many who want a share of *the wealth it is creating. In their* view, this includes animators who produce new versions of Disney's classic movies, copyright pirates

See DISNEY, Page 11

Adidas Heirs Sell Control to Tapie

Compiled by Our Staff From Dispatches

ROME — Bernard Tapie, the French industrialist and politician, has acquired 80 percent of Adidas, the West German sporting-goods manufacturer announced.

Neither Adidas nor Mr. Tapie would say how much he paid for the stake, purchased from some of the descendants of the company's founder, Adolph (Adi) Dassler. But West German sources estimated the deal cost 800 million to 1 billion Deutsche marks ($483.9 million to *$604.9 million).*

On Sunday, two grandchildren of Mr. Dassler who own the remaining 20 percent of Adidas shares criticized management for not telling them of plans to sell the majority stake to Mr. Tapie.

The French businessman attended a news conference on Saturday, called by Adidas at the World Cup soccer finals. He said that at the final game on Sunday, the Argentine and West German teams were to be entirely clothed in Adidas equipment. Through its Swiss-based subsidiary ISL, Adidas controls the marketing of the World Cup, the Olympic Games and many other major sports events.

Mr. Tapie, owner of the Olympique Marseille soccer team, said he would continue the traditions of the company and would aim to keep it a market leader. "Because of the recent problems encountered by the company, it presents an exciting financial and industrial challenge," he said.

Adidas, which had sales of 4.6 billion DM last year, recently has run into problems, particularly with sales in the United States. In 1987, it sold its 80 percent stake in Pony Inc. of the United States to Yarsel Investment Corp. of Taiwan. Adidas has not released 1989 earnings, but press estimates are that it had a loss of about $90 million.

The company has had trouble *competing with rivals such as Nike* Inc. and Reebok International Ltd., whose production is almost entirely in the Far East.

A restructuring operation started in 1987 in Europe as well as the United States, with a third of the workforce laid off. Production was *shifted to areas with low labor* costs, such as Morocco, Eastern Europe and Asia.

A company statement said that *the outlook for this year was profit*able and that revenue was expected to be at least at the 1989 level.

Adidas was started in 1920 by Mr. Dassler, who died in 1968 and left the company to his son, Horst, and his four daughters.

Mr. Tapie purchased the stakes in Adidas of Adolph Dassler's four daughters. The remaining 20 percent is owned by the two children of Horst Dassler, who died in 1987.

In their statement, Adi and Suzanne Dassler, Horst Dassler's children, expressed "great surprise at not having been consulted" on the Tapie deal. They attacked the *management for disregarding them* and squandering the achievements of their father, but said they believed Mr. Tapie wanted a return to *the policies followed by him.*

Adidas is significantly larger than the industrialist's Bernard Tapie Finance SA holding company, which had *1989* revenue of *1 billion* francs ($180.3 million). Adidas's sales last year were equivalent to more than 15 billion francs.

Mr. Tapie said some of his holdings would have to be sold to finance the deal. He also said he would shift the distribution of Donnay SA, the Belgian tennis racket maker he controls.

Mr. Tapie represents Marseille as a member of the Socialist Party.
(AFP, Reuters, UPI)

Small U.S. Firm Has Big Video Plan

By Robert D. Hershey Jr.
New York Times Service

SCOTTSDALE, Arizona — A tiny Arizona company *has begun to sell a new kind of videocassette* recorder in one of the few technological and marketing advances the U.S. consumer electronics industry has seen in the last two decades.

Go-Video Inc. has combined two videocassette players in one unit to create a patented machine that can perform feats now essentially confined to television studios or production houses.

The machine, called VCR-2, can duplicate tapes without noticeable loss of quality, permit the viewing of one tape while recording another and perform a wide range of editing functions.

The machine was even named by Popular Science as one of the best new products of 1989. But some skeptics wonder whether consumers will spend about $1,000 to buy a dual-deck video player.

Robert Alexander, president of Robert Alexander & Associates, a video-industry consulting firm in New York, said he doubted that huge demand would emerge for the unit when consumers could pay less by buying two single decks, which currently cost about $400 each.

Still, R. Terren Dunlap, the 45-year-old chairman of Go-Video, calls the relationship between existing videocassette recorders and his device analogous to the photocopier and carbon paper.

Among enthusiasts is Donald Rothenstein, senior *electronics merchandise manager for the Sharper Im*age. The retailer of high-tech gadgets has put the VCR-2 on the cover of its September catalogue.

"We expect it to be one of our top sellers," Mr. Rothenstein said, predicting the machine could account for perhaps 40 percent of the $5 billion-a-year videocassette business by the mid-1990s.

Go-Video began as a mobile production operation, filling a niche for consumers or companies that wanted quick tapes of such things as weddings, class reunions or business presentations. The company's name derives from its doing the work from vans.

Go-Video found gaps in the equipment market that forced it, for example, to hook two cassette players together to do a mediocre job of duplication. It applied for a patent on its dual-deck technology in 1984 and was awarded protection about four years later.

But Go-Video could not find anyone to make the product. *Since no American company* had *the capability*, the search for a maker soon concentrated on the Japanese. After a 1987 meeting in Tokyo with NEC Corp., at which production schedules and pricing were discussed, *Mr. Dunlap* was confident he had a deal.

He contends, however, that shortly after his talks with NEC, there was a meeting of Japan's Electronic Industry Association, which decided no dual-deck video players would be made and no components sold.

Mr. Dunlap alleged the companies had illegally conspired to stop the product from appearing on the U.S. market, and he sued them under American antitrust laws. *Court rulings rejected the defendants'* contention that they were not subject to American rules, and Go-Video won settlements totaling $2 million.

More importantly, the suit was instrumental in *persuading a South Korean defendant,* Samsung Electronics Co., to agree in February 1989 to make dual-decks for Go-Video as part of a settlement.

Minister Urges France to Face Japan's Threat

Agence France-Presse

PARIS — France is "skirting national disaster" because of a failure to face up to Japanese *competition, and it needs to* draw up a "combat strategy" to avoid losing all its essential industries, European Affairs *Minister Edith Cresson said in* a report published Sunday.

In an interview in the newspaper Journal du Dimanche, *Mrs.* Cresson advised Prime Minister Michel Rocard, who is due in Tokyo next week, to avoid "kowtowing" to Japan.

"*It's not too late,* but there has to be mobilization," she said. "We hear too often that we must open up our markets." She added: "In whose name are we supposed to abandon France?"

Leveraged Capital Holdings N.V.

The Annual Report as of 31st December, 1989 and the Quarterly Report as of 31st March, 1990 have been published and may be obtained from:

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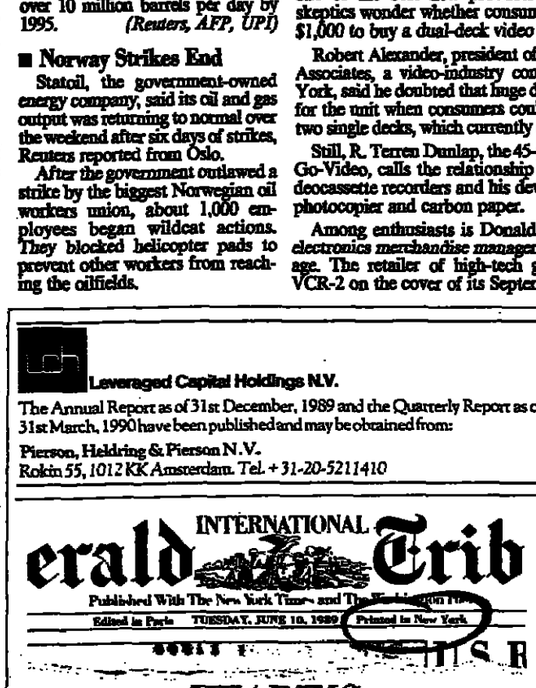

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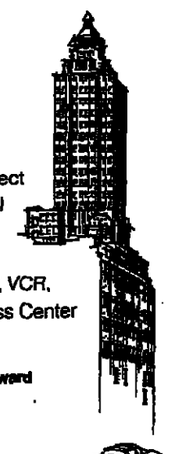

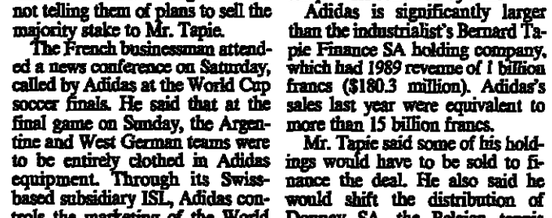

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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors. July 6

Dollar Straights

Governments/ Supranationals

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
A I D C	8⅝	96	95	9.51	+97
Asian Dev Bk	11¼	93	106½	9.35	+91
Asian Dev Bk	8	96	93¾	9.43	+86
Asian Dev Bk	9⅞	99	102¼	9.47	+90
Austra Wheat	9⅞	93	101.050	9.09	+65
Australia	11½	95	108½	9.36	+86
Australia	11	95	114	9.42	+91
Australia	11⅜	98	111¼	9.53	+96
Australia	11¼	00	107½	9.59	+110
Australia	8¾	92	98	9.30	+94
Austri Control	9⅞	92	100	9.08	+69
Austri Control	15¾	92	110¾	9.17	+82
Austri Control	8½	93	98¾	8.81	+39
Austri Control	12	94	109¼	9.30	+83
Austri Control	9¼	94	101¼	8.89	+43
Austri Control	9⅝	00	99¼	9.16	+60
Austri Postspa	10½	94	103½	9.53	+88
Austria	10	93	102¾	9.49	+91
Austria	11¼	95	106½	9.39	+91
Austria	11	00	109½	9.82	+147
Austria	13⅝	92	107½	9.29	+94
Austria	9	92	99⅛	9.59	+73
Austria	9⅝	93	101¼	9.04	+65
Austria	9⅝	94	99¾	9.20	+75
Austria	9⅛	96	100	9.25	+70
Austria	7¾	96	92¼	9.47	+84
Austria	7¾	97	93⅝	9.03	+45
Austria	8⅛	00	95⅞	9.16	+59
Austria	8⅜	00	96½	9.16	+60
Austria	9⅝	06	100¾	9.48	+84
B C Hydro	11⅛	93	106¼	9.39	+95
B C Hydro	15⅛	92	110½	9.28	+92
B F C E	7	92	97¼	8.77	+44
B F C E	7¾	93	95⅞	8.92	+49

Banks & Finance

Global Corporates

Third World

Dollar Zeros

Floating Rate Notes

Deutsche Marks

Pounds

Dollars

Ecus

MUTUAL FUNDS

Figures as of close of trading Friday, July 6.

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc. are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Banca Commerciale Italiana	$200	2000	¼	100	—	Over 3-month Libor. Variable rate notes, with fallback rates of ½ over Libor until 1995 and ⅜ over thereafter. Noncallable. Fees not disclosed. Denominations $10,000. (Merrill Lynch Int'l.)
Bayerische Landesanstalt fuer Aufbaufinanzierung	DM 200	1996	0.10	100	—	Below 6-month Libor. Noncallable. Fees 0.20%. (Trinkaus & Burkhardt.)
Lavoro Bank Overseas	DM 300	1995	libor	100	—	Interest will be the 6-month Libor. Noncallable. Fees 0.25%. (Trinkaus & Burkhardt.)
Fuji Int'l Finance (Hong Kong)	£ 80	1995	0.35	100.20	—	Below 3-month Libor. Redeemable at par on any coupon payment date. Denominations £100,000. Fees 0.20%. (Fuji Int'l Finance.)
European Investment Bank	ITL 250,000	2000	libid	100	100.40	Interest will be the 6-month Libid rate. Callable at par in 1991. Fees 0.70%. (Istituto Bancario San Paolo di Torino.)
Fixed-Coupons						
Ekspor Impor Indonesia (Cayman)	$ 80	1995	9.45	100	—	Noncallable. Fees 1⅜%. Denominatoins $500,000. (Sumitomo Finance Asia.)
Okobank	$ 60	1997	9⅝	102	—	Noncallable. Fees 1⅞%. Denominations $10,000. (Fuji Int'l Finance.)
Tomen Finance Nederland	$56.5	1997	zero	55.414	—	Noncallable. Proceeds $30.7 million. Fees 1⅞%. Denominations $50,000. (Nikko Securities Europe.)
Toyota Motor Credit	$250	1993	9	101½	100.13	Noncallable. Fees 1⅛%. (UBS-Phillips & Drew Securities.)
IBJ Leasing	DM 50	1995	9⅝	101⅜	—	Noncallable. Fees not disclosed. (IBJ Deutschland.)
Top-Danmark	DM 200	1995	9	101	—	Noncallable. Fees 2%. (Deutsche Bank.)
Eurofima	ITL 200,000	1995	12¼	101.35	99.60	Noncallable. Fees 1⅝%. (Banco di Roma.)
Council of Europe	Au$ 75	1992	15¾	102	101.10	Noncallable. Fees 1%. (Hambros Bank.)
Dresdner Int'l Finance	Au$ 75	1994	14½	101½	99.90	Noncallable. Fees 1½%. (Dresdner Bank.)
Eurofima	Au$ 75	1992	15	102	100.80	Noncallable. Fees 1¼%. (Bankers Trust Int'l.)
State Bank of South Australia	Au$ 200	2001	6	61	—	Semiannually. Noncallable. Fees 2%. (Nomura Int'l.)
Istituto de Credito Oficial	¥ 25,000	1995	7	101⅜	—	Noncallable. Fees 1⅞%. (IBJ Int'l.)
Equity-Linked						
Blue Circle Industries Capital	£ 90	2005	10½	100	—	Semiannually. Noncallable. Convertible at £2.70 per share, a 9.76% premium. Fees 2½%. (Baring Brothers.)
Daikyo	$300	1994	4¾	100	108.00	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set July 13. (Nomura Int'l.)
Lonrho Finance	$169.9	1994	6⅝	100	100.00	Noncallable. Each $5,000 note with one warrant exercisable into 915 Lonrho PLC shares at £3.06 per share, a 15.03% premium, and at $1.78425 per pound. Fees 2¼%. Terms to be set July 10. (Nomura Int'l.)

Treasuries Sport Grim Tone

Compiled by Our Staff From Dispatches

NEW YORK — A heavy supply of new issues is expected to help extend the government bond market's slide this week, following a battering Friday on U.S. employment statistics.

The benchmark 30-year Treasury bond had been little changed on the week before the jobs data hit the market, pushing the issue down nearly 1.5 points, to 102 13/32. The yield on the bonds shot up to 8.51 percent from 8.42 percent.

The employment data was mixed. On one hand, the government reported that nonfarm jobs rose by only 40,000 in June, less than half the number expected. But this did not cheer the bond market because the government also revised its May employment data to show a gain of 356,000 jobs, more than double the number previously reported.

"Because the employment numbers released this morning were rather strange, the Street immediately labeled them as suspect and quickly focused its thinking on the unprecedented volume of Treasury paper to be auctioned next week," said Mark A. McCluskey, chief money market trader at the New

U.S. CREDIT MARKET

York branch of Bank Julius Baer.

Equally disconcerting, Mr. McCluskey added, was the widespread belief in the fixed-income market that the Federal Reserve Board could not lower interest rates because the Treasury needed to attract buyers for the record volume of debt it is issuing.

Much of the increase in Treasury debt offerings reflects the need to raise funds for the bailout of the savings and loan industry. On Tuesday, a record $5 billion of 30-year bonds are scheduled for sale to help the bailout effort.

The bonds traded Friday on a when-issued basis to yield 8.88 percent.

Mr. McCluskey said "there is also concern among dealers that the Street will have to develop a much larger short position before the Treasury's quarterly refundings in early August."

One reason for the absence of short-sellers is that many market participants were expecting prices of fixed-income securities to rise and interest rates to decline now that the Bush administration and Congress appeared to be moving to reduce the budget deficit.

Dealers and other professionals normally sell Treasury paper short as a hedge against price declines. Often, a large volume of short-selling will exert temporary upward pressure on interest rates.

Later in the week, attention is likely to switch to new economic figures, with June producer prices and retail sales both due on Friday, analysts said. The data could reopen the debate about where the economy is heading. *(NYT, Reuters)*

IMF Chief Tells Argentina Inflation Must Be Curbed

Compiled by Our Staff From Dispatches

BUENOS AIRES — Michel Camdessus, managing director of the International Monetary Fund, warned Argentina that it cannot expect economic growth if it does not curb inflation.

He said, however, that he supported the country's current economic plan, even though prices rose 13.9 percent in June.

"When you reach a monthly rate of inflation of between 5 and 10 percent, I consider it a launching ramp for hyperinflation," Mr. Camdessus said Saturday, at the end of a 36-hour visit. "If you don't stamp out inflation, there can be no economic growth," he said.

Mr. Camdessus expressed "absolute confidence" in Argentina's economic program, which he stressed "has not been dictated by the IMF, but was drawn up by the Argentine government and is being implemented decisively and speedily." The plan includes a program to sell state-owned companies.

He denied that Argentina's economic change would increase unemployment.

The IMF granted Argentina a $1.4 billion standby loan in November but froze disbursements when the government lost its grip on the economy and hyperinflation returned early this year. *(AFP, Reuters)*

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Listing Set In Spain For Germans

The Associated Press

MADRID — West Germany's Commerzbank AG said it is to follow Volkswagen AG in listing its shares on Spanish stock markets, making it only the second foreign firm to trade in Spain.

In an advertisement Saturday in Spanish newspapers, the Düsseldorf-based bank said it planned to offer 200,000 common shares, or 0.79 percent of the total outstanding, on the Madrid and Barcelona bourses beginning July 16.

Each of the Commerzbank shares is to bear a face value of 50 Deutsche marks ($30), the bank said. The overall nominal value of the offering is to total 10 million DM.

Commerzbank said its offering comes "in the framework of the growing internationalization of capital markets and of the rising importance of Spanish stock exchanges."

Last Thursday, the automaker Volkswagen became the first foreign company to announce the listing of its shares on Spanish markets.

Meanwhile, the official state gazette Saturday published regulations stating that residents' purchases of stocks issued here by foreign firms "will constitute Spanish foreign portfolio investments requiring no previous administrative authorization."

Commerzbank share payments were to be accepted in Spanish pesetas based on the Bank of Spain currency fixing of July 13. Current shareholders are barred from participating.

Siemens Expects Its Profit And Sales to Rise This Year

Reuters

LONDON — The West German electronics giant Siemens AG expects sales to rise to 64 billion Deutsche marks ($38.7 billion) in the current business year from 61.1 billion DM in the year ended last Sept. 30, Chairman Karlheinz Kaske said.

Speaking in London over the weekend at the firm's half-year news conference, Mr. Kaske said he expected incoming orders to rise to 67 billion DM from 62.9 billion DM the previous year.

He said he thought profits this year would be higher than last, but would level off in the second half.

Siemens' net profit rose to 749 million DM in the first six months last year from 652 million DM in the same period the previous year. Mr. Kaske gave no profit data from the current business year.

Extra sales volumes would come from the takeover of the British concern Plessey PLC and West Germany's Nixdorf Computer AG. Karl-Hermann Baumann, chief financial officer at Siemens, said both firms would bring positive figures to this year's earnings.

Siemens and Britain's General Electric Co. gained control of Plessey in September last year. Siemens and Nixdorf are creating a new unit, Siemens Nixdorf Informationssysteme AG, which will be 78 percent owned by Siemens.

Mr. Kaske said the links with Plessey and Nixdorf would bring 6 billion DM in extra sales.

■ BfG Bank to Restructure

The supervisory board of the West German BfG Bank für Gemeinwirtschaft said it had agreed to a restructuring plan, Reuters reported from Frankfurt.

The statement gave no details about the size of any job cuts resulting from the restructuring, and Chairman Paul Wieandt told West German television that it was impossible to say exactly how many jobs would go.

West German newspapers have said BfG plans to cut around 2,700 jobs, or about a third of the bank's work force.

LIBERTY ALL-STAR WORLD PORTFOLIO

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2, Boulevard Royal, LUXEMBOURG

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Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders of *LIBERTY ALL-STAR WORLD PORTFOLIO*, will be held at the offices of Banque Internationale à Luxembourg, Société Anonyme, 69, route d'Esch, L-1470 Luxembourg, on July 27, 1990 at 11:00 a.m. with the following agenda:

1. **Submission of the Report of the Board of Directors and of the Auditors;**
2. **Approval of the Statement of Net Assets at March 31, 1990 and the Statement of Operations for the year ended March 31, 1990. Appropriation of the net results;**
3. **Discharge of the Directors;**
4. **Receipt of and action on nomination of the Directors;**
5. **Miscellaneous.**

Resolutions on the agenda of the annual general meeting will require no quorum and will be taken on a simple majority of the votes expressed by the shareholders present or represented at the meeting.

In order to attend the meeting of LIBERTY ALL-STAR WORLD PORTFOLIO the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Company or with

BANQUE INTERNATIONALE A LUXEMBOURG,
69, route d'Esch, L-1470 Luxembourg.

THE BOARD OF DIRECTORS

Seoul to Boost Research Spending

Reuters

SEOUL — South Korea, which is increasingly facing difficulties in obtaining high technology, plans to raise research spending rapidly to develop technology by itself, economic planning officials said Sunday.

"The annual spendings will increase from 3.3 trillion won ($4.6 billion) last year to between 7 trillion and 10 trillion won in 1996," said Kim Chong-duk, a deputy director of the Economic Planning Board.

Economic Planning Minister Lee Seung-yun has confirmed a government plan to concentrate investment in "fields which will directly sharpen industrial competitiveness."

"In view of limited funds and number of experts, we have to aim for technology from which we can benefit immediately by applying in product development," Mr. Kim said.

South Korea has relied heavily on Japan and the United States for developing high-technology products, but those countries have become reluctant to share leading-edge technologies for fear of Seoul's growing competition in export markets.

"Without technological innovation, our country will face dangers of an economic slowdown," Mr. Kim said.

South Korea's research spending will account for between 3 percent and 4 percent of the country's gross national product in 1996, compared with 2.1 percent in 1989, according to the government's plan.

The Seoul government will also set up 40 more high schools specializing in industrial technology by 1993 to help secure more engineers, government officials said.

■ Shipyard Orders Rise

South Korean shipyards said new overseas orders more than doubled in the first half of the year, to 4.4 million gross tons from 1.7 million tons a year earlier, Reuters reported from Seoul.

The new orders in the six months took in $3.5 billion, compared with $1.8 billion in the same 1989 period.

"Worldwide demand for new ships is very bullish," said Shin Oh-kyun, an official with the Korea Shipbuilders' Association. "I don't think this is a temporary upswing but a trend that should last until the mid-1990s."

WALL STREET REVIEW

Figures as of close of trading Friday, July 6.

NYSE Most Actives

	Vol.	High	Low	Last	Chng.
PhilMr s	83935	49¼	46⅝	47¾	+2⅝
GnInst	67082	45⅝	44½	45⅝	+7⅝
AT&T	66871	39¼	37¼	38¼	— ⅜
PanEC	59547	24½	19	19½	—5
Avon	58750	38⅛	36⅝	36⅝	
AmExp	40676	32	30½	31⅝	+1⅛
GenEl	37861	71⅜	69⅝	70⅝	+1⅝
Boeing s	36559	60⅝	58⅝	60½	+2
SCEcp	34092	37¾	37	37⅝	+ ⅛
Citicorp	31513	22¾	22	22½	— ⅛
BrMySq	30946	64½	62¾	63⅝	+ ⅜
IBM	30585	118⅝	116⅝	118	+ ½
Entergy	29310	20⅛	19⅝	19⅞	
Exxon	28763	47⅞	46¾	47¾	— ⅛
Waste s	28175	43¼	41⅜	42⅞	+1½
BritSH	27853	25½	24	24⅞	— ¼
GTE s	27783	32⅝	31	32	— ⅜
Lilly s	27574	87⅞	82⅝	86½	+3⅝
Genetch	26678	29¾	27¾	29½	+1⅝
EKodak	26364	41½	39⅝	39⅝	— ⅝
KayJwl	26221	15⅛	13⅝	13⅞	+3
ToyRU s	25987	33⅛	31½	31¾	— ⅜
LILCo	25221	20⅝	19⅝	20⅝	+1⅛
Bevrly	25066	6⅝	5⅝	6¼	+ ⅜
CarPw	25004	44⅝	43⅝	43⅝	+1

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
Amdhl	25518	17½	16⅛	17⅝	+1⅛
Hlthov n	18155	1⅞	1⅝	1⅜	
WangB	12621	4⅝	4	4⅝	+ ⅛
DowC rt	11617	10⅜	9½	9⅝	—1⅝
BAT In	9694	11⅝	11⅝	11½	+ ⅛
FruitL	9566	12½	11⅛	12⅜	— ⅛
ENSCO	8658	4⅛	4	4⅛	— ⅛
EchoBy	7566	13⅛	12½	12⅝	— ⅛
ContAir	6871	6⅛	5⅝	6⅛	
MagmC	4159	5½	4⅞	5⅛	+ ½
Greman	5040	7¼	5⅝	6⅝	+1⅜
A-aft2 sc	5034	13	12	12¼	— ⅛
Hasbro	4899	18⅛	17	17⅝	— ⅜
CarnCr	4580	24½	22⅞	23¼	—1
A-mo sc	4436	24¾	22⅞	24⅝	+2⅛
ArWat n	3930	29¼	27¼	28	—1⅜
Wthfrd	3798	8⅝	7⅝	8½	+ ½
A-Inl sc	3512	18½	16⅞	18⅝	+1⅝
Coron g	3444	6⅝	6¼	6½	+ ⅛
Alza	3378	47¼	45⅝	47¼	+ ½
Lionel	3193	3⅛	2⅝	3⅛	+ ⅜
NY Tim	3192	24⅝	23⅛	23⅝	— ⅜
SNk 93cwt	3132	3¾	3⅛	3⅝	+ ¼
Elan	3094	21½	19⅞	20¼	+ ½
A-bmy sc	2924	15½	14⅝	15⅝	+ ½

NYSE Sales

	Sales Vol.
Total for week	509,300,000
Week ago	702,768,000
Year ago	503,450,000
Two years ago	653,596,000
Jan 1 to date	20,163,975,000
1989 to date	21,540,230,000
1988 to date	22,840,400,000

AMEX Sales

	Sales Vol.
Total for week	37,980,000
Week ago	62,950,000
Year ago	37,890,000
Jan 1 to date	1,801,740,000
1989 to date	1,266,470,000

NYSE Diaries

	This Wk	Last Wk
Advanced	871	
Declined	924	
Unchanged	354	
Total Issues	2149	
New Highs	116	
New Lows	113	

AMEX Diaries

	This Wk	Last Wk
Advanced	329	
Declined	446	
Unchanged	201	
Total Issues	976	
New Highs	55	
New Lows	40	

CVS DIAMOND® BASE CONSUMER SELLING PRICE — W.E. 6/7/90

CARBON VAPOUR SET DIAMOND* IN 18KT. HALLMARKED GOLD.	TOTAL DIAMOND WEIGHT-CARAT	US$ PER PIECE
CLEAN, H COLOR, EXCELLENT MAKE 1 POINTERS, DIAMOND SETTINGS.	1.00	2,560
	0.75	1,920
	0.50	1,280
	0.25	640

BLUE DIAMONDS WORLDWIDE CO. INC. — * COPYRIGHT — ALL SIZES/WEIGHTS ARE APPROX.

DISNEY: *Rivals Assail Tactics the Company Uses to Protect Its Empire*

(Continued from first finance page)

who want to make money from unlicensed Mickey Mouse souvenirs and personal-injury lawyers who hope to win big jury awards for large and small theme park accidents.

As the multitudes throng to Disney's theme parks and line up for its "Dick Tracy" movie this summer, it is obvious that the public's overall impression of Disney remains highly positive. Wall Street analysts, dazzled at the ninefold split-adjusted increase in Disney stock since 1984, are rhapsodic at the mention of Disney's name.

But there are signs that Disney's style may sometimes blemish the image that the company has so assiduously tended.

Disney's style, by all accounts, has been much more aggressive since the arrival in late 1984 of the new management, headed by Chairman and Chief Executive Michael D. Eisner, President Frank G. Wells and Disney Studios Chairman Katzenberg. Installed after a pitched four-month takeover battle, the new team wasted no time expanding Disney's theme park, movie making and merchandising operations and launching new ventures.

Under their leadership, the company's revenue vaulted to $4.59 billion last year from $1.46 billion in 1984, while profit jumped to $703.3 million from $97.8 million. That's a torrid profit growth rate of 48 percent a year.

Disney's critics say doing business with the company means facing teams of lawyers who will stake out extreme positions on virtually every negotiating point and often return to try to reargue issues later if Disney is not pleased with the way the deal has turned out. The company's harshest critics — including Mr. Diller of Fox, who is furious at Disney for backing out of a European television venture last year — maintain that it sometimes repudiates deals it does not like, or ignores points of agreements after they are made orally.

"Mickey Mouse may be the soul of this company, but you'll find the heart somewhere over in the legal department," said a former Disney TV executive who admires the company's efficiency but believes that Disney sometimes goes too far.

Asked about allegations concerning its negotiating tactics, Mr. Katzenberg said of his negotiators: "We aren't perfect. We make mistakes like everyone else. But I am certain there is no such pattern. The people on the line are genuinely honest people."

Disney can usually succeed with its negotiating tactics not only because of the skill of its lawyers, but also because its size and success mean that its negotiating partners usually need Disney more than Disney needs them. Outsiders — be they Hollywood directors, cable-TV operators or the thousands of Disney-licensed souvenir makers — sense that mere proximity to the Disney name hugely increases their odds of success. Fearing what they perceive as the far-reaching economic power of Disney, few of its critics were willing to speak publicly for this story.

Disney's new management team has fought hard in Hollywood since 1984 to limit the growth in stars' pay and other film-making costs. Those costs have been drifting up lately, but Disney is still turning out films for an average of around $15 million; by comparison, the average major-studio film cost $23.5 million last year.

Many in Hollywood salute Disney for its cost consciousness, but some complain about the tactics the company uses to try to reach its goal.

Mr. Katzenberg attributes the gripes of some agents and lawyers to Disney's habit of walking away when the price of deals rises too high.

"After many years I have learned there is nothing that we absolutely must have," he said in a statement. "No movie. No property. No project. No deal. What that means is that we go into virtually every negotiation prepared to lose it. If we cannot get something on terms that in our judgment are good for our ongoing business, then we are prepared to pass. We are always prepared to walk away."

U.S. Treasury Bonds

July 6

Maturity	Close Bid	Close Ask	Yield	Wk.-ago yield
30.06.92	100 2/32	100 4/32	8.34	8.24
15.05.93	100 18/32	100 20/32	8.39	8.29
30.06.94	100 5/32	100 7/32	8.45	8.34
15.08.95	100 6/32	100 8/32	8.44	8.35
15.01.97	99 21/32	99 25/32	8.55	8.45
15.05.00	102 12/32	102 14/32	8.51	8.42
15.02.06	106 13/32	106 17/32	8.62	8.52
15.05.20	102 18/32	102 20/32	8.51	8.40

Source: Salomon Inc.

Euromarts At a Glance

Eurobond Yields

	July 4	June 27
U.S. $, 8 yrs & over	9.31	9.50
U.S. $, 5 to 7 yrs	9.23	9.45
U.S. $, less than 5 yrs	8.45	8.74
Pounds sterling, less than 5 yrs	13.42	13.38
French francs, less than 5 yrs	10.43	10.20
Ital. lire, less than 5 yrs	12.00	12.05
Danish kroner, less than 5 yrs	10.52	10.65
ECU, 8 yrs & over	10.05	10.23
ECU, 5 to 7 yrs	10.09	10.29
Can. $, less than 5 yrs	12.64	12.76
Aust. $, less than 5 yrs	15.02	15.16
N.Z. $, less than 5 yrs	13.21	13.27
Yen, 5 to 7 yrs	7.23	7.27
Yen, less than 5 yrs	7.01	7.10

Source: Luxembourg Stock Exchange.

Weekly Sales July 5

Primary Market

	Cedel $	Cedel Nos$	Euroclear $	Euroclear Nos$
Straights	98.90	647.60	1,031.80	379.30
Convert.	—	—	—	—
FRNs	—	49.90	50.00	543.00
ECP	4,294.70	1,859.80	6,902.60	3,745.30
Total	4,387.60	2,557.30	7,984.40	4,668.20

Secondary Market

	Cedel $	Cedel Nos$	Euroclear $	Euroclear Nos$
Straights	5,187.50	10,312.90	14,828.90	10,305.40
Convert.	131.00	1,032.30	456.90	437.50
FRNs	3,553.10	1,131.40	4,434.60	3,645.30
ECP	5,566.90	2,374.00	2,513.50	2,476.40
Total	14,438.50	14,850.60	22,234.30	16,864.60

Source: Euroclear, Cedel.

Libor Rates July 6

	1-month	3-month	6-month
U.S. $	8 5/16	8 5/16	8⅜
Deutsche mark	8 1/16	8 3/16	8 9/16
Pound sterling	15 1/16	15 1/16	15
French franc	9 15/16	10⅛	10 3/16
ECU	10	10¼	10 7/16
Yen	7½	7⅝	7 11/16

Source: Morgan Guaranty, Lloyds Bank, Reuters.

U.S. Consumer Rates

July 6

Tax Exempt Bonds	
Bond Buyer 20-Bond Index	7.47 %
Money Market Funds	
Donoghue's 7-Day Average	7.48 %
Bank Money Market Accounts	
Bank Rate Monitor Index	5.98 %
Home Mortgage, FHLB average	10.06 %

Source: New York Times Service, UPI.

ATLAS FUND
Société d'Investissement à Capital Variable
R.C. Luxembourg B 27 255
NOTICE OF MEETING

Notice is hereby given that the second Annual General Meeting of ATLAS FUND will be held at the Registered Office in Luxembourg, 10A, Boulevard Royal, on:

Thursday 19th July, 1990 at 11 hours,

for the purpose of considering the following Agenda:

1. To receive and adopt the Management Report of the Directors for the year ended 31st March, 1990.
2. To receive and adopt the Report of the Auditor for the year to 31st March, 1990.
3. To receive and adopt the Annual Accounts as at 31st March, 1990.
4. To appropriate the earnings.
5. To grant discharge to the Directors and the Auditor in respect of the execution of their mandates to 31st March, 1990.
6. To receive and act on the statutory nomination for election of the Auditor for a new term of one year.
7. *To transact any other business.*

The resolutions will be carried by a majority of those present or represented.

The shareholders on record at the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the Registered Office of the Company not later than twenty-four hours before the Meeting.

The present notice and a form of proxy have been sent to all shareholders on record at 2nd July, 1990.

In order to attend the meeting, the owners of bearer shares are required to deposit their shares not less than five clear days before the date of the meeting at the Registered Office.

Proxy forms are available upon request at the Registered Office of the Company.

By order of the Board of Directors
J. Pierson
General Manager

FAIL: *U.S. Probes Questionable Thrift Purchase*

(Continued from first finance page)

Democrats in Congress over who is to blame for the savings scandal.

The new information shows that regulators allowed Mr. Fail to acquire the Texas institutions even though a company controlled by him pleaded guilty to fraud in 1976 in Alabama. Federal regulations specify that such a plea is a "presumptive disqualifier" for a person seeking to buy a savings and loan.

In that 1976 case, Mr. Fail was indicted for securities fraud by the state. The charges were dropped, and he agreed not to conduct any new business in the state. At the same time, a company he controlled, the United Security Holding Co., pleaded guilty to securities fraud, a felony. Mr. Fail, the president, entered the plea in court, public records show.

The Alabama matter became important because no other bidder for Southwestern savings institutions had this kind of a legal record, said George M. Barclay, the president of the Federal Home Loan Bank in Dallas, which was helping the bank board by reviewing Mr. Fail's background.

On the eve of the board's Dec. 22 meeting, at which it approved the Fail deal, Mr. Barclay sent it a letter neither approving nor disapproving Mr. Fail as a buyer, disclosing his indictment but not his company's plea.

Mr. Barclay said in an interview that after sending the letter he overruled his staff, which had opposed Mr. Fail's eligibility, and that one hour before the board meeting wrote a second letter in which he found Mr. Fail to be an eligible buyer, a finding that the board needed to approve the deal.

Mr. Barclay acknowledged that he had changed the letter on short notice and said it was "entirely possible" that he might have acted in response to telephone calls from officials in Washington, as bank board documents suggest.

"Nobody told me what to say," Mr. Barclay said, adding that his second letter, by mentioning the personal indictment, "raised the flag" for the board, which made the final decision.

Top bank board officials, including Mr. Wall and Stuart D. Root, the executive director of the board's insurance arm, said the main factor in their approval of Mr. Fail was the Federal Deposit Insurance Corp.'s decision in 1987 to approve his purchase of an Oklahoma bank. But the two agencies have had different regulations for approving buyers since 1985.

The bank board's regulations include a series of "presumptive disqualifiers." These include a felony conviction by an affiliate, like a company controlled by a person seeking to buy a savings institution. Government regulators said this covers situations like the 1976 plea by Mr. Fail's company.

Mr. Wall and Mr. Root said they were not aware of the guilty plea on behalf of Mr. Fail's corporation in Alabama and how it might have disqualified Mr. Fail.

The board's agreement with Mr. Fail called for him to invest $70 million at closing and $50 million more over two years. But he put in only $60 million in 1988, waiting until Feb. 28, 1989, to borrow the extra $10 million. He personally contributed $1,000, while $59.999 million came from two insurance companies, one of which Mr. Fail owned.

The deal closed in December 1988, with Mr. Fail still owing the $10 million. That obligation was highly unusual, Mr. Root said, adding: "I don't remember anyone else being short of their required capital contribution."

INTERNATIONAL BusinessWeek

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- Moscow Aid Now Has Bush's Blessing
- Castro To Become More Of An Island
- Japan Cashing In On The Environment
- U.S. Banks: Is Big Trouble Brewing?

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OPPORTUNITES
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R.C. Paris B. 327961608

Messieurs les actionnaires sont convoqués par le présent avis à
L'ASSEMBLEE GENERALE EXTRAORDINAIRE
DES ACTIONNAIRES
qui se tiendra au siège social à Luxembourg le 18 juillet 1990 à 11 heures avec l'ordre du jour suivant :

ORDRE DU JOUR

Modification des articles 1 à 28 des statuts de la Société et suppression des articles 29 et 30 aux statuts de la Société, conformément à la loi du 30 mars 1988 relative aux organismes de placement collectif et adoption de la version coordonnée des statuts.

Le libellé de l'article 3 s'énoncera comme suit :

"L'objet exclusif de la Société est le placement de ses fonds disponibles principalement en valeurs mobilières variées et de divers pays d'Europe, des deux Amériques, d'Asie, d'Océanie ou d'Afrique, sans limitation. La Société peut prendre toutes mesures et faire toutes opérations qu'elle jugera utiles à l'accomplissement ou au développement de son objet dans tout ce qui est permis par la loi du 30 mars 1988 concernant les organismes de placement collectif".

La version coordonnée des statuts comprenant ces changements est à la disposition du public au siège social de la société.

Le quorum pour cette assemblée générale extraordinaire est de 50% du capital social représenté par les actionnaires présents ou représentés par proxy.

Les résolutions sont prises à la majorité des deux tiers des voix des actionnaires présents our représentés.

Pour la Société,

Banque de Gestion
Edmond de Rothschild Luxembourg
Société Anonyme
20, boulevard Emmanuel Servais
L-2535 LUXEMBOURG

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, July 6.

A

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
A&W Bd			3600	34¾	31½	32¾	— ⅞
ABS	.22	3.9	44	8½	8	8½	+ ⅛
ACC Co	.16	1.2	467	13½	12½	13¼	— ¼
ADC			781	24	22¾	23¼	+ ¼
ADT			8418	32	30½	31¾	— ¼
AEL			67	5⅝	5⅛	5¼	— ½
AEP s			137	14¼	13½	13½	— ⅞
ASK			3415	9⅝	8⅞	9¼	+ ⅜
AST			10097	25⅝	22¾	24¼	+ ⅜
AcmRt	.10	1.0	238	10	9¾	9¾	— ⅛
AbingB	.16	4.0	13	4	3¾	4	+ ¼
AbeLinc			41	6⅝	6¼	6½	— ¼
Abram	.20	4.7	7	4⅝	4¼	4¼	— ⅛
Acadin			730	1	⅞	1	
Accel	.20b	2.8	41	x7¼	7⅛	7¼	— ⅛
Acclaim s			5234	14⅝	12¾	13⅛	—1¼
Aceto	.14b	1.0	3	13½	13¼	13½	+ ½
ACMT			8	13⅝	13¼	13¾	+ ¾
Acmt a			60	10¾	10	10¾	— ¼
AcmeSt			468	17¼	16¾	16¾	— ½
ActARt			1267	7⅝	7⅛	7½	— ⅛
ActnSv	.161		134	2¼	1⅞	1⅞	— ⅜
vlActAut			80	¾	⅝	⅝	— ⅛
Acxiom			840	20¾	18⅝	20⅝	+1⅞
AdacLb	.04i		8053	1⅞	1⅛	1	— ⅛
Acoge			117	1⅝	⅞	⅞	— ⅜
Adaptl			7418	22	20¾	21⅝	+ ⅞
AdIngt s			1309	18½	17¾	18½	+ ¾
AdiaSv	.16	.7	238	22	21¾	21⅞	+ ⅛
AdobeS	.21e	.5	10943	40½	35¾	38¾	+1½
Adtec			356	3⅝	3¼	3⅝	+ ¼
AdvCir s			1625	9⅞	9⅜	9⅝	+ ⅛
AdvRos			73	10⅝	9½	9½	—1¼
AdvMag			123	15	14	14¾	+ ⅜
AdMkSv			136	6⅛	5½	5⅝	— ⅛
AdvPoly			1888	6⅞	6¼	6¾	+ ½
AdvSem			223	5⅝	4⅞	5¼	— ¼
AdvTel			1070	20	19½	19¾	+ ⅛
Advanta	.10	.8	514	12⅝	12½	12⅞	+ ⅛
AdvoSy			487	11⅛	11½	11½	
AeplsG	.20e	2.4	1	8½	8½	8½	— ⅛
Aequitrn			504	2¼	2⅛	2⅛	— ⅛
Aegon	2.46e	3.4	87	71¾	70¼	71¾	+1¾
AerSysl			284	⅝	½	½	
Aerovx			335	4¼	4	4	
AflBcCp	.16i		466	2⅞	2⅝	2⅞	+ ⅛
AflBsh			776	12	11½	11¾	
AgncyR	.68t	4.8	3407	14⅞	13½	14⅛	+ ⅜
Agnico g	.20	3.0	558	7	6½	6⅝	— ⅛
Agcum			9	9	8½	9	
Aicorp			6762	12¼	11⅝	11⅝	— ⅝
AirMd			258	5¾	5	5¼	+ ¼
AirWisc			659	10⅝	10	10¼	+ ⅛
Airtran	.16	2.4	515	6½	5⅞	6¼	
Akorn	.07	4.3	248	x1⅞	1½	1⅝	—
Akzo	1.79e	5.4	1097	33⅝	32⅝	33¼	+ ¾
Alaten	1.10	8.6	168	13¼	12¾	12¾	— ¼
Aldus			3921	29¾	27	27¾	+ ¼
AlexBr	.22	1.5	1723	14⅝	14	14⅝	+ ⅜
AlexBld	.88	3.1	4402	30	28⅜	28½	—1½
AlfaCp	.40	4.2	281	10	9⅝	9½	
Alico	.20	.7	11	29¼	28¾	29	+ ½
AllAm s			62	1⅜	1⅛	1¼	+ ⅛
AlegW			678	7⅝	7⅛	7⅝	
AlnOrg	.40a	1.1	12	36	35	36	+ ½
AllenPh			405	12	11¼	11¼	+ ⅛
Alliant			15593	7⅝	5¼	5¼	—2⅛
AlldBk	.30	4.3	20	7⅛	7	7	— ⅛
AlldCap	1.32e	6.6	547	19	18½	18½	
AldCall	.66e	3.8	514	18	17¼	17½	— ⅛
AlldGp	.48	3.7	15	13½	13	13⅛	— ⅛
AlldRsh			12	2⅜	2	2	— ⅛
AlsyCpt			25	⅝	⅝	⅝	— ⅛
AllstFn			104	9⅝	8¾	8¾	— ⅛
Allwst s			13937	12⅞	12	12⅜	
Aloette	.22	1.6	351	20¼	18⅞	20¼	+1¼
Alpharl			70				
AlpMic			317	3	2½	2⅝	— ⅛
AltaGld	.06e	1.8	2805	3⅞	3⅛	3¼	— ⅝
Altera			3485	13⅞	12½	13¼	+ ⅝
Altos			16782	8¼	7⅛	8⅛	+ ⅞
Altron			480	5⅜	4½	5	— ⅜
AmcorF	.50	3.5	413	14⅞	14	14⅝	— ⅛
Amrian	.48	4.4	65	11½	10¾	11	
Amerbc	.11r	2.0	9	5½	4⅝	5½	+ ¼
AFFMt2	1.03e	13.5	271	8	7⅝	7⅝	— ⅛
AFFF	1.50	8.3	248	18¼	17½	18	
AmFPr	1.30	11.8	75	11⅛	11	11	— ⅜
AFTxE	1.00	12.5	664	8½	8	8	— ⅛
AFTxE2	1.28	17.1	318	8	7½	7½	— ½
AWAIrl			1742	9¾	8⅝	9	+ ⅛
AmBcp	1.15e	5.8	3	20	20	20	
ABnkr	.50	3.7	558	14	13½	13½	+ ⅛
AmCaR			1242	12⅝	12¼	12⅝	+ ⅛
AmCity			93	18½	17½	18	+ ⅛
AColoid	.44	4.3	10	10¼	10¼	10¼	
AContu			13	7¼	4⅞	5¼	— ⅝
AmEcol			155	5⅝	5¼	5¼	— ⅜
AFSvDu			23	4⅝	4¼	4¼	— ⅜
AFlm s			1461	13⅛	12½	12¾	— ¼
AmFl wt			180	9⅛	8½	8⅞	— ½
AGreet	.66	1.9	3850	35⅝	34⅝	35	
AHlSv			54	1⅝	1⅛	1⅝	— ⅛
AIndF	.08	1.5	23	5⅛	5⅛	5⅛	
AmIntg			1120	6⅝	6	6⅝	+ ⅜
AmLck	2.00e	66.7	4	3	3	3	
AMS			646	17⅜	17	17⅜	
AMedE			1132	11⅛	11⅛	11⅝	+ ½
ANtIns	1.60	4.5	202	35⅝	34½	35⅝	+1
ANuclC			27	1⅝	1	1	— ⅛
AmNurs			22	4	3½	4	+ ½
AmPac			733	12⅝	11⅛	12¼	— ⅛
APhyG			1	1⅛	1⅛	1⅛	+ ⅛
APwCv			1379	41	39⅞	40⅞	+1
ARellan	.44	4.3	58	10½	10	10¼	— ½
ARepBc	.10e	1.3	3	7½	7½	7½	
AmRice			145	⅝	½	⅝	
ASoft	.32	1.3	1651	26¼	25¼	25¼	— ⅝
AmStl			914	x3⅝	3¼	3½	
ATvCm			1131	37¾	36½	37	
ATrav s			2372	17¾	15⅞	17⅝	+1⅞
AWood			200	6	5⅝	5¾	— ¼
AmAll	.30e	7.1	835	4⅜	4	4¼	+ ¼
AmFtBk			422	1⅞	1⅛	1⅞	
Amerlfr	1.28	7.2	2222	18	17½	17¾	— ¼
Amgen			6149	80	77¼	79¾	+2
AmtyBc	.20b	4.0	95	5½	5	5	— ½
AmskBk			1455	2⅝	2⅜	2⅜	— ⅛
Amoskg	.40a	3.0	38	20	17	20	+1¼
Ampicn			10	7½	7	7½	+ ½
Amserv			225	5	4⅞	5	
AmtcCp			2145	20	18⅝	19⅜	+ ⅜
Amvest	.30	6.2	664	3⅞	3¼	3⅞	+ ⅜
Anlogic			1010	9⅝	9⅛	9¼	— ⅛
AnalyTc	.17	1.6	42	10¾	10	10½	+ ¼
Analy s	.48	2.3	511	21¼	19¾	21¼	+1¼
Anangel	1.10e	9.2	348	12⅜	12	12	— ⅜
Anaren			44	2⅝	2⅛	2⅝	+ ⅜
AnchSv			425	1⅜	1⅛	1⅛	— ⅛
AndrGr			42	8⅛	8	8	+ ⅛
AndvBc	.80	11.9	429	7¼	6½	6¾	— ⅛
AndvTg			2	2⅜	2⅜	2⅜	— ⅛
Andrew			7331	19½	18½	19⅛	+ ½
Andros			408	13	12½	13	+ ⅛
ApogEn	.24	1.3	774	19⅛	17¾	18⅜	+ ⅛
AppleC	.44	1.0	49235	45	43⅛	44⅝	
Applebe			180	20	18½	19⅝	+1
ABiosci			127	3⅝	3¼	3¼	—1
ApldBio			1602	13¼	12¼	12⅞	— ⅝
ApldMt			4126	39	36	38⅛	+ ⅜
ApldPw	.12	.5	5962	23¼	23	23⅛	— ⅛
ApldSlr			70	6⅝	6½	6½	— ⅛
ArabSh			214	1⅝	1½	1½	
Archive			3315	10⅜	10	10¼	+ ¼
Arbor	.16	.8	279	19⅝	18⅞	19⅛	— ⅛
Archco			3743	12⅞	11⅞	11⅞	— ⅝
Arden			71	60	56	56	—6¼
ArgoGp	1.60	2.1	44	77	76	76	— ⅝
Aritch			108	11	10¼	10¼	— ⅛
ARIX			892	2⅝	2⅛	2¼	— ⅛
Arizlnst			30	4½	4½	4½	+ ⅛
ArkaFt			132	22¼	21⅝	21¾	—1
Armor	.64	4.2	675	16¼	15¼	15¼	—1½
Arnold	1.00	2.7	33	38	36½	36⅝	+ ⅛
ArowFn	.48	5.1	10	9⅛	9⅛	9⅛	
Artel			727	5⅜	4⅞	4⅞	— ⅜
ArtistG	.10e	2.0	575	5⅛	4⅝	5	+ ¼
ArtWay	.40	5.5	295	7⅝	7¼	7¼	— ½
Ashton			8635	13⅛	11⅞	12½	+ ⅛
Aslamr	†		1116	4⅝	4	4¼	+ ⅛
AspctTl			4170	20⅝	19½	20⅛	+1⅛
AspenR			342	2⅞	2	2⅛	— ⅛
Assix			402	7½	7⅛	7⅛	— ⅛
AsdBnc	.72	3.6	60	20¾	20	20	— ⅛
AsdCmA			426	31½	30½	30¾	—1½
AsdCmB			685	30¾	30	30¾	
Astec			178	7⅛	6⅝	7⅛	+ ½
AstrM s			103	9	8½	8½	
Astron			317	1⅜	1	1⅛	+ ⅛
Astrosy			213	3⅝	3⅜	3½	
Atek			26	4	3¾	4	
Athey	.10e	1.1	42	9¼	8¼	8⅝	
AtlcoF	.20	2.3	7	9½	8⅝	8⅝	
Atkinsn	.48	3.2	672	15½	14⅝	15	
AtInfd	.40b	4.0	12	11	10	10	— ½
AtlAm			117	2¼	2	2	— ¼
AtlSeAr	.50	2.6	1089	19¾	18⅝	19	
Atwood	.82e	1.8	1846	46	44⅜	46	
Atwd rt			1682	10½	9⅞	10½	
AtwdOc			968	19⅝	17⅞	18½	—1⅛
AutTrT			186	3⅞	3¼	3½	— ⅜
Autoclv	.24	2.2	68	11¼	11	11	— ⅛
Autodk	1.80e	3.3	6978	55⅝	52	54½	—1
Autodie			24	6	5⅝	6	+1
Autolnt			1741	6⅛	5⅝	5¾	— ⅛
AutoSy			2214	8⅝	7⅛	7⅝	— ⅛
AutoCp			7	12	12	12	
Avntek			1042	3	2⅝	2⅝	
Avatar			232	23¼	22¾	23¼	
Avndle	.92	10.2	253	9⅛	9	9	— ⅜
Aztar			11999	6¼	5⅝	5⅝	— ¼
AztcM	.18	2.1	431	5¼	4⅞	4⅞	— ⅛

B

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
BB&T s	.80	4.4	949	18⅝	17½	18	— ⅜
BH Bulk	1.51e	37.8	102	4¼	4	4	
BEI El	.08e	1.7	1254	7⅜	7	7¼	
BEI			98	2⅝	2⅜	2⅝	
BF Ent			174	5¼	4¾	4¾	— ½
BFS NY			2	8⅝	8⅝	8⅝	
BGS	.40a	1.7	163	24½	22½	23¾	
BHA			338	25¼	24⅛	24⅝	— ⅛
BHA B			76	25	22¾	23½	—1
BKLA	†		14	7⅛	7	7	+ ⅛
BMA	1.20	4.0	316	31¼	30	30	—1
BMC Sf s			1559	26¾	25½	26⅛	+ ⅛
BMJ	.60	5.2	57	12	11⅛	11⅝	— ⅛
BMR Fn			39	7	6½	6⅞	+ ⅛
BNH	.24	5.1	327	5	4⅝	4⅝	— ⅛
BSB Bcp	.60	4.2	12	15¼	14⅞	15¼	
BT Fin	.88	5.1	930	10⅝	10⅛	10¼	— ¼
BT Shp			930	10⅝	10⅛	10⅝	— ⅛
BTR	.08	1.5	233	5⅝	5⅛	5⅜	
BTU Int			280	3⅜	3⅛	3¼	+ ⅛
Babage			619	7⅝	6⅞	7	— ⅜
Badger	.480	2.8	7	17	17	17	
BakerJ	.06	.7	3615	9⅜	8⅛	8¾	— ⅝
Balchm	.03	.6	13	5⅛	4⅝	5	— ⅛
BaldPia			1004	9⅞	9	9	— ⅜
Balard	.10	.3	497	29½	28⅛	29	+ ½
Baltek	.15	1.8	58	8¼	8	8¼	+ ¼
BncPop	.80	4.2	159	19	18⅝	19	
BcpHw s	1.64	3.2	4752	51	50	50½	— ⅛
BcMiss	.84	4.6	316	19½	18	18	
BcpNJ	.40	4.3	1	9⅜	9⅜	9⅜	
Banctec			1400	20¾	19⅝	20¼	— ⅛
BandoM	.88	10.5	71	8⅝	8¼	8⅜	— ¼
BangH	1.24	8.2	343	15⅛	14⅝	15⅛	
BankAll			14	4⅝	4	4⅛	+ ⅛
BnkNH	.92	9.7	56	10	9	9½	+ ⅛
BkSou	.52	5.6	2127	9½	8⅝	9¼	+ ⅜
Bnkest			927	1⅝	1⅛	1⅛	— ⅛
Bankrs			270	11¾	11¼	11¾	— ¼
BnkFst	.28	4.9	40	6½	5⅝	5⅝	— ⅛
BkrNte			244	1⅝	1½	1½	— ⅛
Bknth	1.08	8.5	151	13⅛	12½	12¾	—1
Bklowa	1.00	1.4	351	71	69	71	
BkMAm			32	9¼	9	9⅛	+ ⅛
BkWorc	.25i		3209	14⅛	13⅝	13⅝	— ⅛
BanPnc	1.40	3.4	12	46½	46½	46½	— ½
Banta	.56	2.3	790	25	24¼	24¼	— ¼
Barden	1.00	3.0	18	33	31	33	+1
BaretRs			715	7⅝	7	7	— ⅛
BaryJw			38	7	6⅝	7	+ ⅛
Barton			3689	7½	6⅝	7⅛	— ⅛
BsTnA			43	2⅝	2½	2½	— ⅛
BasAm			2672	11⅝	9⅝	10⅛	+1⅛
BasPtr s			92	14¼	13	14¼	+1¼
BsetF	1.00a	2.9	99	35	35	35	+ ⅞
BayVw	.45e	2.5	932	18⅝	17⅝	17⅞	— ⅝
BayBks	1.80	11.8	7983	16¼	14⅞	15¼	— ⅜
Boyprt			1134	⅝	¼	⅝	— ⅛
BEAvion			1462	9½	9	9¼	+ ⅛
BeauCH	.28	1.4	1553	21	19⅝	20	—1
BeautL			95	1⅝	1¼	1¼	— ⅛
Beebas	.24	3.4	645	7	6¾	7	+ ⅛
BelFuse			172	4	3½	3⅞	+ ⅛
BellW s			20	3¼	3	3	— ⅛
BellSv			90	1¼	1⅛	1½	— ⅛
Belmrl			87	¼	¼	¼	
BenJer			170	17¼	16½	17	— ¼
Benhan			38	1⅞	1½	1⅝	— ⅛
Berkley	.44	1.1	787	41	40¼	41	+ ¼
BerkGs	1.28	9.3	8	14½	13⅝	13¾	— ¼
BethlBc	.32	2.5	64	13⅛	13	13	— ⅛
BetzLb	1.38	2.4	1133	78	75¼	77⅝	+2½
Big B	.14	1.6	105	10¼	10	10	— ¼
BigOTr			575	1⅛	1	1⅛	
Bindly			2390	14	13	14	+ ⅜
BingKg			195	3⅞	3¼	3⅞	+ ⅛
Biogn wt			49	11½	10¾	11½	+ ⅜
BioLog			4	3⅝	3⅛	3⅝	+ ⅛
BioMedc			7397	26⅞	24½	26	+ ⅝
Biogen			13019	24⅝	24½	24⅝	+ ⅛
Biogn pf	2.12	5.1	989	41⅝	40	41⅝	+1⅛
Biomet			9002	29½	28	29¼	
Biosph			20	4½	4¼	4¼	— ⅛
BiotcR			342	4⅛	3⅜	4	+ ½
BioTInt			140	4	3½	4	+ ⅜
BirdCp			579	12½	12¼	12½	+ ¼
Birtchr			390	5⅝	5	5⅝	+ ⅜
BizMrt			732	14½	15¼	15¼	— ⅛
Blockl	.36e	2.9	1	10¼	10¼	10¼	— ¼
BlisLau			10	6½	5⅞	6¼	+ ¼
BlocDv			5234	12¼	11⅛	11⅞	+ ⅜
BlckD	.70b	2.1	262	34	34	34	— ⅛
BoatBn	2.12	6.4	1571	33⅝	32⅝	33⅛	+ ⅜
BobEvn	.26b	1.9	2372	14½	13⅝	13⅞	— ⅜
Boert			21	13⅛	13	13	
Bohema	.20b	1.4	908	14¾	13¾	14	— ⅜
BonvlP			644	6⅛	5⅞	5⅞	— ⅜
BooleB			247	20¾	19½	19½	—1
BoonEl			41	5⅛	3½	3¾	+ ⅜
Boral	.33r	6.0	10	5½	5⅛	5½	+ ⅛
Borlnd			45262	21½	15¼	17⅝	—4
BostAc			348	25½	23¾	23½	—1⅝
BostBc	.60	4.1	464	14⅝	14⅛	14⅝	+ ¼
BstnDig			16	2⅞	2⅞	2⅞	
BstnFB	.121		4163	3⅞	3¼	3⅜	— ⅛
BostTc s			7255	6½	5½	6	— ⅜
BlvdBc	.48	3.0	123	16¾	15¾	15¾	—1¼
BradyW	.40	1.3	35	31¾	31	31	
Brantre	.36	6.5	185	6	5½	5½	— ½
Brand			1284	37⅞	36½	37½	— ⅛
Brandn	.24	2.3	3	10¼	10	10¼	
BrnfdSv	.151		119	6	4⅞	4⅞	—1⅛
Brkwtl g			536	1⅛	1	1⅛	+ ⅛
Brenco	.20	2.7	394	7⅝	7⅜	7⅝	
Brendle			37	7½	6½	6½	— ⅛
BrdgF s	.20	.9	233	22¼	20½	21½	
BriteV			65	4⅞	4½	4½	— ¼
Bdcstln s			52	9½	9	9½	
BdwyFn	.48	8.0	10	6	6	6	
Brkfld	1.00	2.9	1	35	35	35	— ⅞
BklynSv			11	¾	¾	¾	+ ¼
BrTom			1312	6	5⅝	6	+ ¼
Bruno s	.14	.9	2060	15¼	15¼	15½	
BrynMw	1.52	4.9	1	31	31	31	
BckyFn			19	8⅞	8⅜	8⅞	— ⅛
Buffet			939	22¾	22¼	22¼	
BuildT			231	9¾	9½	9½	
BullRGd			58	½	½	½	
BurnpS			971	13½	12⅞	13	— ⅜
BurrBr			136	10¼	9⅝	9⅝	— ⅛
Burrit	.32	3.8	108	8⅞	8⅛	8½	
BusnRc			436	11⅝	11½	11½	
ButlrMf	20.00e		338	16⅝	15¾	15⅝	— ⅛
Bytex			501	11	10⅝	10¼	— ⅛

C

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
CB T s	.48	4.0	10	12¼	11½	12	+ ¼
CCA			649	1⅝	1⅜	1⅜	+ ⅛
CCAIR			3595	2⅜	1⅝	1⅝	— ⅜
CCB s	1.44	4.1	49	35¼	34½	34¾	+ ¼
C COR			254	11½	10½	10½	— ⅛
CCNB	.80	4.4	129	18	17½	18	
CEM s			1546	9⅞	8⅞	9	— ⅛
CFI St			1453	1⅝	1⅛	1⅛	+ ⅛
CFS	.40e	4.3	91	10¼	9	9⅞	— ⅛
CII Fn			750	16⅝	16	16½	+ ¼
CIS Tch			11943	5⅝	5⅜	5⅝	+ ⅛
CK FSv	.40	3.4	72	11¾	11¾	11¾	
CNB	.88	3.9	138	23	22½	22¾	— ¼
CNL Fn	.24	5.2	6	4⅝	4⅝	4⅝	+ ¼
CPAC	.06e	.8	497	8	7⅝	8	+ ¼
CPB	.56	2.5	97	22¾	22	22½	+ ½
CPC Rx			158	2⅞	2½	2⅝	
CPT			1162	¼		¼	+
CSC Ind			6	⅜	¼	¼	— ⅛
CSP			41	5⅞	5½	5⅞	+ ¼
CTEC			263	20¾	19¾	20	— ½
CabotM			10856	11⅞	9⅝	11⅝	+1⅝
Cache			73	1⅛	1⅛	1⅛	— ⅛
CACI			466	3½	3¼	3⅜	
CdbyS	2.02e	3.1	1035	66⅝	63⅞	65⅞	+2¾
Cadeln			1362	1	1	1	+
Cadence			7596	27⅝	25⅞	27	— ¼
Cadmus	.20	2.2	105	9¼	9	9	
Caere			408	24	23½	24	
CalGph s			148	10½	9⅝	10¼	— ¼
CalRep	.40	1.8	48	23½	21½	22	—1¾
Calgene			1182	7⅝	7	7⅝	+ ⅛
Calg pf			82	29½	28⅝	29½	+ ½
Calgon	.32	.7	1147	47	45	46	— ½
CalAmp			972	1	⅞	1	+ ⅛
CalBio			4295	9⅝	9	9⅝	+ ⅜
CalFncl	.40	4.3	116	9⅝	9⅜	9¼	— ⅛
CalMD			283	2	1⅝	1⅝	— ⅛
CalMic			981	9	8½	9	+ ⅛
CalSBk			3	14½	14½	14½	—1¼
CalWtr	1.74	6.8	214	25¾	24¾	25½	+ ⅛
Callon	.78e	35.0	20	2⅞	2	2	— ¼
Cambrx	.15e	1.9	189	8⅛	7	8	— ⅛
CamBS			3730	4½	3⅞	4¼	+ ¼
Candla			3557	15½	13½	15	+1½
CannEx			203	7⅝	7	7	— ⅜
Canonl	.36r	.6	13	63⅛	61	63⅛	+1⅝
Canonie			580	12	11	11½	+ ⅛
CanyRs			100	2⅞	2¼	2⅜	— ⅜
CCBT	1.52	6.8	47	22½	22¼	22¼	— ¼
CapAsc			415	3¼	3	3	— ⅛
CapSw	1.44e	6.2	22	23¼	22½	23¼	+ ¾
CapBcp		48.0	232	1⅛	⅞	⅞	— ⅛
CapTr s			74	16½	15½	16¼	
CrdnlD s	.08	.3	589	27⅜	27	27½	+ ½
CardFn	.50	4.4	3	11¼	11¼	11¼	
CardPls			2331	19⅞	18¼	19⅞	+1⅝
CreP wtA			190	3¾	3⅛	3½	+ ⅛
CarlCm	.34e	1.8	1243	19	18½	19	+ ½
Carmik			894	14⅝	15⅝	14⅝	+ ⅛
CaroBcp	.38	2.9	40	13⅝	13¼	13¼	—1⅛
Carlngtn			1175	21	19½	19½	— ⅜
Carver			287	4⅞	4⅛	4½	+ ⅛
Cascde s	.60a	2.9	1152	21	19¾	21	+1⅜
Caselnf			1629	3⅝	2⅞	3	— ⅛
Caseys	.02a	.2	319	8¼	8	8	— ⅛
CastlEn	.06e	.5	130	14	13¼	13⅞	— ⅜
CatoCp	.02i		384	2⅞	2⅛	2	— ⅛
CedrG s			888	6⅞	4⅛	4½	—1⅛
CdrG wt			34	2½	2	2	— ⅛
Celgene			276	6⅝	6⅛	6⅝	+ ⅛
CellTch			1432	2⅝	2⅜	2⅝	— ⅛
Celcm s			611	4	3½	3⅞	
CellCm			6256	34¼	32¾	34¼	+1
Cellrln			1112	17¾	15	15½	—1⅞
Cellrlnf			407	7⅝	6½	7	— ⅛
CentlBc			17	6¼	5⅝	5¾	— ⅛
CtrBnk	.36	5.5	386	7⅝	6½	6½	— ½
Centrbk			35	5	4½	4¾	— ⅛
Centrck			3554	25¼	23⅝	24⅞	+ ⅜
CentxTl			5713	44⅞	40¼	42	—2⅝
Centcor			32	6⅞	6	6½	— ⅛
CtlSoo	.36a	5.5	13	6½	6½	6½	
CnBsh	.80	5.2	802	15⅝	14½	15¼	+ ⅛
CtrCOp			625	5⅝	5	5	— ⅛
CFidBk	1.40	5.0	2485	30	27⅝	27¾	—2⅛
CtrlHld			192	1⅝	1	1⅛	+ ⅛
CJerBc	.90	6.2	282	15	14½	14½	— ⅛
CPaFin	.40b	2.3	9	12	11½	12	+ ¼
CRsLfe	.28	5.6	360	5	4⅞	5	
CnSprn			2153	16⅜	15½	16¼	— ½
Centuri			235	1⅛	1⅛	1⅛	
CntGld			45	⅞	¾	¾	
CntyBc	.30	10.0	188	3	2¾	3	
CtrySo	.07e	1.1	1	6½	6½	6½	—1
Cenvst	.24i		526	5⅛	4¾	5	+ ⅛
Cerdyn			236	4½	4¼	4¼	— ¼
Cerbco	.06	2.2	110	2⅞	2⅝	2⅝	— ⅛
Cerner			319	12¼	11¼	11⅝	— ⅛
Cetus			14993	22⅞	20¼	21¾	+ ½
Chalone			51	10½	10	10½	+ ½
ChmpPr			88	4	4	4	— ⅛
ChncCp			136	⅜	⅛	⅜	+ ⅛
Chanin			1145	8⅝	8½	8⅝	— ⅛
ChrmSh	.12	1.2	2746	10⅝	10⅛	10⅛	+ ¼
ChrtFdl			134	1⅝	1⅛	1⅛	— ⅛
ChtFSB	.60	4.9	81	12⅝	12¼	12¼	— ⅜
ChtOne	.56	3.8	63	14⅞	14⅝	14⅞	
Chattm	.56	1.8	3	32	31	32	+1
ChkPt			1490	13⅝	12⅛	12⅞	— ⅝
ChkTch			279	3¾	3⅛	3¾	+ ⅛
ChmDsg			916	10⅝	10¼	10¼	— ¼
Chemfx			3893	11⅝	10⅝	10⅝	— ⅛
Chmfx wt			274	4⅝	4	4	— ½
ChFab			252	24½	21¾	22½	
ChwFin	1.00b	3.2	103	31½	31	31	
Chmpwr			454	17⅝	14¾	16¼	+ ½
ChryCp	.12	1.1	32	11¼	10½	10½	— ¼
ChstUtl	.84	7.1	2	12	12	12	
Chestre	1.00	10.0	342	10¼	10	10	— ¼
ChesHV	.24	2.5	17	10⅝	9⅝	9⅝	— ½
ChDock	.30e	2.1	12	15	14½	14½	—1
ChldDis			27	3	3	3	
ChldWld			108	12⅜	12¼	12¼	— ¼
ChipsTc			5567	21⅞	20½	20¾	— ⅜
Chiron			3546	39⅞	38	39	
Chmed	.68	7.8	749	9	7⅞	8⅝	+1⅝
ChrDwt	.28	1.5	1781	19⅝	18⅝	18⅝	— ¾
Cimco			34	13	12⅝	12⅞	
Cimflex			754	¾	⅝	⅝	+
CinnFn	2.44	3.1	545	82	79⅛	79⅝	—1⅝
CinMic			708	2⅞	2⅝	2⅝	
Cintas	.23	.5	1081	49	48	48½	— ¼
Ciprico	.20e	8.0	258	3	2⅜	2½	— ½
Circadn			112	1⅛	1	1⅛	+ ⅛
CircIFA			133	4⅞	4⅛	4⅛	— ⅛
CircInc	1.14a	10.2	121	11⅛	10⅞	11⅛	+ ⅛
Circon			1282	9½	7⅝	9¼	+1⅛
Cirrus			11801	21⅛	19¾	20¼	+ ¼
Cisco			1735	27	26	26⅝	— ⅛
CtzBcp	1.08	6.3	344	18¼	17¼	17¼	— ¼
CtzBkg	1.28	5.4	167	22½	21¾	22¼	— ⅛
CtzGIP	1.00a	10.0	14	10	9¾	10	
CtzInc s			500	4⅝	3⅝	3⅝	— ⅝
CtzNY	†		173	7	6	7	+ ⅛
CtzSF s			7	11	9¾	9¾	—1¼
CtzUt A			576	35½	35	35	
CtzUt B	.77r	2.4	435	32⅝	32¼	32¼	
CtyHld	.40	2.6	14	15½	15¼	15¼	+ ⅜
CityRs g			25	⅞	⅞	⅞	
CivicBc			19	13⅛	12½	12⅞	— ⅛
Clarcr s	.78	3.3	233	24½	23⅝	23⅝	— ⅜
CleanH			1677	8⅞	7⅛	7⅝	— ⅝
ClevtRt			64	3⅝	3½	3½	
ClftDr			461	13	11⅝	12¾	— ⅛
ClftDr pf			30	28½	27½	27½	—1
ClinDt			251	1⅝	1½	1½	— ⅛
ClinlGs			102	2⅝	2¼	2⅜	
Cloth			1618	4⅝	3⅝	3¾	— ⅝
CoOpBk	.30i		272	4¼	3⅞	4	
CocaBtl	.88	4.0	37	22	21⅞	21⅞	
CoCaM			534	2⅝	2¼	2½	
CoCa wt			22	⅛	⅛	⅛	
CodaEn			151	3	2⅝	3	
CodeAl			647	15	14½	14½	+ ½
Codenol			149	6	5¾	6	+ ⅛
Codnl wt			102	⅛	⅛	⅛	
Cognex			229	30	28¾	30	+ ⅜
Cognos g			3594	9¼	8⅝	8⅞	— ⅛
Cohasef	.24	4.4	9	5½	5½	5½	
Cohernt			2704	11½	11	11½	+ ¼
ColabR			218	2¾	2½	2⅝	— ⅛
Colagen			4756	22¼	20½	20⅞	—1⅛
ColBcp	.20	2.5	599	7⅞	7⅛	7⅞	+ ½
ColnGp	.40	3.6	1469	11⅜	11	11¼	— ⅛
ClnGas	1.76	8.1	119	22¼	21¾	21¾	— ⅛
CBcap A	.60	7.6	29	8⅛	7⅞	7⅞	— ⅛
ColCos	.64	3.4	2282	21⅝	18⅜	19	—2⅛
ColoNt	.16	1.1	1422	15½	14¼	14⅞	— ⅛
Colorcs			2925	8	7⅝	8	+ ¼
ColFst			221	10	9½	9½	— ⅛
ColHasp			2845	3⅞	3½	3½	— ⅛
Comair	.40	2.0	928	20¾	19⅞	20	
Comrco			622	3⅛	2⅞	2⅞	+ ⅛
Comcst s	.12	.9	3408	13⅝	13	13	— ⅛
Cmc sp s	.12	.9	4857	13¼	12⅞	12⅞	— ½
Comcon			439	12⅜	12	12	
CmdtHd			147	5⅝	5	5¼	+ ⅛
Cmdial			168	⅝	½	¾	
Comeric	2.60	5.6	1341	46¾	46	46¼	— ¼
ComBc	.90r	8.4	37	10¾	10	10¾	
CmBc pf			5	12¼	12¼	12¼	— ⅛
CmBcsh	.72	3.0	356	24¼	23¾	23¾	— ⅛
CmClr	1.40	2.7	297	53½	51	52½	+ ⅜
CmceFdl	.10r	.8	175	13	12	12	— ⅛
CmlTek	.68	3.1	229	22¼	21¾	22¼	— ⅛
CwltBn	.88	5.7	12	15⅝	15½	15½	— ⅛
CmCblNC			58	11½	10⅝	11	+ ⅛
ComSv	.24	2.4	108	10¼	9⅞	9⅞	— ⅛
ComTrn			37	1⅛	1⅛	1⅛	
CmtyBc	.20	2.7	20	7½	7⅜	7½	
CmtyBS	.76	6.6	46	12¼	11½	11½	
CBkPa	.70b	3.1	42	22¾	20½	22½	+1
Comnet			84	12¾	11⅝	11⅝	— ¾
CmersL			1985	15½	14⅝	15¼	+ ⅜
Cmptrx			131	4⅝	4¼	4⅛	+ ⅛
Cmpch			789	8⅞	8⅝	8⅝	— ⅛
Cmpcm			202	1⅝	1⅜	1⅜	— ⅛
CCTC			641	1⅝	1⅛	1	
CmpDt	.14	1.2	61	11¾	11¼	11¼	— ⅛
CmptH			98	13⅝	13¼	13⅛	— ⅛
Cmpldn			354	1⅝	1⅜	1⅜	— ⅛
CmptLR	.12	2.6	7	4⅝	4½	4⅝	
CmptM			213	1⅝	1½	1½	— ⅛
CmpPr			3248	3	2⅝	2⅞	+
Comshr s			537	25¼	23⅝	23⅝	— ⅜
CmstR s			838	5⅝	5¼	5½	+ ⅛
CsdCam			1398	5⅝	5	5	— ⅛
ConcCC			687	5¼	5	5	— ⅛
CncCst			198	28½	25	28½	+3½
ConcCm			561	1⅝	1½	1½	— ⅛
Condor			352	4¼	4	4	— ⅛
ConfTc s			107	2⅞	2⅝	2⅝	— ⅛
ConStP			203	3⅝	3⅛	3⅛	— ⅛
Conmed			441	8¼	7¾	8¼	+ ½
ConnWt	1.56	8.4	43	18½	18	18½	+ ⅛
ConrPr			16173	28⅝	27⅛	27⅝	— ⅛
Conslim			1590	26⅜	24¾	26½	+1⅝
ConPap	1.28	3.2	1065	40⅝	39¾	40	+ ⅛
ConsPd	.28	1.6	913	12½	12	12	— ⅛
CnsTom	.34a	1.1	11	31	31	31	—2⅝
CnstlBc	1.44	10.1	305	14¼	13⅝	14¼	+ ⅜
CBNE	.50	6.3	8	8	8	8	
Consul			518	1⅜	1⅛	1	— ⅛
ConsFn	.14	3.3	42	4¼	3⅞	4⅛	
CnsFn pf	.85	9.4	6	9	8½	9	+ ⅛
ConWat	1.08	7.4	52	14½	14	14½	+ ¼
ContlCl			815	18¾	17⅜	18¼	— ⅛
CtlHme			106	8¼	7⅝	7⅝	
CtlMed			392	15	14⅞	14⅞	— ⅛
CtlMtp s	1.32	18.2	28	7¼	6⅞	7¼	+ ⅛
CtrlRS			272	4	3⅝	3¾	— ⅛
CnvSol			354	1⅝	1⅜	1⅝	
Cooker			955	3⅝	2⅞	3	— ⅛
CoorD			30	1⅜	1	1⅜	+ ⅜
CoorL			17	6⅞	6½	6½	— ¼
Coors B	.50	2.0	7532	24¾	23¾	24¼	—1⅛
Corvtle			1291	9⅝	8½	9⅝	+1
Corcom			16	2½	2⅜	2½	— ⅛
Cordis			2918	20	18	18¾	— ¼
CoreSt	1.92	4.7	6278	41⅝	40	41¼	+1¼
CrnrFn	1.30i		46	4¼	3½	3½	— ⅛
Cornuco			317	1⅝	1⅜	1½	— ⅛
CpCoalt			1366	⅞	¾	¾	—
CorpDt			2519	3⅝	3⅜	3⅝	+ ⅜
CoreSft			394	14¼	13¼	13¾	
CoretCp			634	11⅝	10½	11	+ ⅛
CosmFr			134	7⅛	6⅞	6⅞	— ⅜
Cosmo			20	⅞	⅞	⅞	
Costar			9	22½	22¼	22½	
Costco			3864	44⅜	42¾	44	+1⅜
CtrnSLf	.28	4.5	64	6½	6¼	6¼	— ⅛
CtryLk			51	9¼	9	9	— ½
CWTrns			565	¾	½	½	— ¼
CntyBk			174	1⅝	1	1	— ⅛
Courer	.40	2.5	68	15⅝	15⅛	15⅝	
CourDis			39	2⅝	2½	2⅝	— ½
CousPr	.60a	4.0	660	15⅝	14⅞	15	+ ⅛
Covngt			816	⅝	⅝	⅝	— ⅛
CrkBrl s	.05	.2	903	27	26	26½	— ¼
Crtimtc	.25e	8.7	126	3	2⅞	2⅞	— ⅛
CrayCm			1957	3⅝	3⅛	3⅝	+ ⅜
Crstlnd			6260	7⅞	7⅛	7½	
Crestar	1.32	6.6	9169	20⅞	20½	20⅛	—2⅞
CrstFdl			278	3	2⅞	2⅞	— ⅛
Criticre			1184	4⅛	3⅝	3⅞	— ⅛
Critclln			273	1⅝	1	1	— ⅝
CropG			661	8	7⅜	7½	— ½
CrosTr			2775	8⅝	8⅛	8⅝	— ⅛
CrwnAn			230	10⅞	10⅝	10⅝	
CwnBk			56	19⅛	18	18	—1
CrwnRs			1626	6⅝	6	6⅛	— ⅝
CryO pfA			12				
CullnFr			241	11⅝	11⅛	11¼	— ½
Culp	.11	1.2	85	9⅛	8⅝	9	— ¼
CumbFd	.48	4.8	472	10	9	10	+1
CupNBk			4	12½	12½	12½	
Cybertk			165	7⅝	7¼	7⅜	+ ¼
Cytogn			23188	10⅜	8⅞	10¼	+ ⅜
Cytgn pf			706	37⅝	34	36½	+1½

D

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
D&N Fn	.60	6.5	79	10	9¼	9¼	— ⅛
DBA			428	3¼	3	3⅛	
DDI			174	2⅞	2⅝	2⅞	
DEP			408	4½	4⅛	4½	+ ⅜
DF Sou	.05e	.5	212	10⅜	10	10	— ½
DH Tch			1869	14⅜	13⅝	13⅝	— ⅛
DNA Pl			632	6⅝	6¼	6¼	— ⅜
DS Bnc	1.20	11.2	400	11⅛	10¼	10⅝	
DSC			23355	12⅜	11⅜	11⅝	—1
DST	.16	1.0	1	15⅝	15⅝	15⅝	
Dahlbrg			170	15⅜	15⅛	15⅜	+ ¼
DairyB			8	8	7⅝	8	
DairyA			210	8	7⅝	8	+ ¼
DaisySh			3639	⅜	¼	⅜	+
Daka			354	⅝	½	½	—
DamonG			405	4⅝	4	4⅜	
DartGp	.13	.1	116	93	90	90	—3
DartBcp			453	1⅝	1⅜	1⅝	+ ⅛
Dta IO			1228	8⅝	3⅞	3⅞	+ ⅛
Datfix	†		1149	8⅝	7½	7⅞	— ⅝
Datkey			405	11	10⅝	10½	— ⅜
DtaMea			107	3¼	3	3⅛	+ ¼
DtSwtch			555	3⅝	3⅜	3⅜	— ⅛
DtaTrn			122	3½	3⅜	3½	— ⅛
Datmar			6	5⅝	5½	5½	— ⅛
Datphz			15	1⅝	1⅛	1⅛	— ⅛
Datscp			600	22⅝	21¼	22⅛	+ ⅜
Dtasth			5	2	2	2	
Datron			195	10	9¼	9½	
Datum			315	3⅝	3¼	3¼	— ½
Dauphn	1.42	4.6	1758	31½	30¾	30¾	— ⅛
Davox			59	4⅝	4½	4½	— ⅛
Dawson			65	3⅝	3⅜	3⅜	— ⅛
DebShp	.20	1.7	63	12⅛	11⅞	11⅞	— ⅛
DeerfSv	.80a	3.3	21	24	23⅞	24	+ ⅛
Defminc			86	1⅝	1⅛	1⅛	+ ⅛
DekibE	.32	1.2	665	26	25	25⅞	+ ¾
DklbGn	.80	1.8	845	44¼	43	43⅞	— ⅜
DelTaco			21	3⅝	3⅛	3⅝	
DelaOts	.07e	.5	80	14	13	14	+ ½
Delchm	.40	1.6	273	25¾	24⅜	25¼	+ ¾
DellCpt			5117	12⅝	12	12⅝	
DelpFin			492	16	16	16	— ⅛
Delpinf			213	6⅝	6½	6⅝	— ⅛
DeltNG	1.08	9.1	67	12⅛	11⅞	11⅞	— ⅛
DentMd			77	⅞	¾	⅞	
DepGty	1.56	6.3	318	25	24½	24⅞	— ⅛
Dsginc			424	5⅝	4⅞	5⅛	+ ⅛
DetSys			217	5⅝	5⅛	5⅝	+ ⅛
DetrxC	1.20	5.6	76	22	21	21⅝	
Devcn s	.20	.9	246	23½	22	22	—1

(Continued on next page)

Fund Managers Turn to Small Markets

By Jonathan Fuerbringer
New York Times Service

NEW YORK — Think small.

That's the theme among many portfolio managers who are looking into the second half of the year without great expectations for the world's equity markets.

They are going for smaller stock markets in Europe and Asia and are picking stocks carefully rather than counting on the overall growth of a market.

"It's less obvious what to do now," said George Noble, manager of the Fidelity Overseas Fund. "We're in a transition period."

"We don't think there will be particularly good returns in the equity markets overall in 1990," added Sander Cseh, senior vice president in charge of the international fund at Provident Capital Management.

"So we are putting some money into the smaller markets where the downside risk is less."

There are no longer just a few main markets that stand out as sure bets, as West Germany and Austria did in the beginning of the year.

And while the East European theme is still on investors' minds, it has become a long-term play as the realities of rebuilding after 40 years of communism settle in.

So the markets that managers are betting on are in Madrid, not Frankfurt, and in Brussels, not Paris.

Italy, Belgium, the Netherlands and Hong Kong are other markets that money has been moved to.

Germany has not been abandoned, but the exposure has been cut back as profits have been taken.

Japan, although it has had a small rebound since declining almost 30 percent in the first quarter this year, is still too big a risk for many managers.

Mr. Cseh, who said he bought in Tokyo when the market hit bottom, is now taking profits.

Small markets can be attractive bets, especially if investors get in ahead of the crowd.

Then, when the rest of the investing community gravitates in that direction, the market is sure to get a boost.

But several of the popular smaller markets have already had some good rallies.

Two of the indexes in Switzerland have just hit highs for the year.

Hong Kong has regained the high reached before the 1987 market collapse.

In addition, a lot of the recent gains in these markets have come from the depreciation of the dollar against most European currencies.

This fall makes the gains in a foreign market larger when translated back into dollars.

Spain and Italy have been popular with analysts for a while.

According to the Financial Times World Indices, the Spanish market rose 17.5 percent in the second quarter, or 24.8 percent if the gain is turned from pesetas back into dollars.

Italy is up 8.8 percent in lire and 10.6 percent in dollars.

The Swiss market is up 8.8 percent in francs and 14.9 percent in dollars.

These rallies could make these markets look less attractive.

But Mr. Cseh says the relatively low price-to-earnings ratios in these and other small markets mean they are still good choices.

Spain, for example, is averaging 12 times earnings and the market index is still below where it was a year ago.

Mr. Cseh also likes the Netherlands, which is selling at about nine times earnings, one of the cheapest levels in Europe. And it is down for the year, giving it some more room for growth.

He is buying stock in NV Verenigo Bezit VNU, the largest Dutch publisher, and in Hunter-Douglas NV, a manufacturer of vertical blinds and other window coverings with major subsidiaries in the United States.

Belgium, an often forgotten spot in Europe, has price-earnings ratios around 11, well below the historic average for that market.

Merrill Lynch is strengthening its recommendation for this market on the assumption that development in Eastern Europe will add to Belgium's growth and, therefore, corporate earnings of companies there.

Another popular market is Stockholm, even though the government is still struggling to put in place an effective anti-inflation program that could create political problems next year.

Sweden has large global companies — like Ericsson, the communications equipment company — whose major earnings come from abroad and whose stocks can weather domestic problems. Ericsson is the largest single holding in Noble's fund and has performed well.

But, on another cautious note, he is not sure if he would buy more right now.

WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

Prices slipped last week in a market depressed by the troubles at Philips NV. The CBS index fell to 196.70 from 198.50.

Philips, the troubled electronics giant, lost 10 percent of its value, closing at 30.20 guilders. It announced a reorganization that would eliminate 10,000 jobs worldwide and said it expected to report a 2 billion guilder loss for 1990.

Nedlloyd, the transportation company, also fell because of fears its half-year results would be poor. The CSM food company, however, surged after it announced it would buy units from Sara Lee.

Volume fell to 6.1 billion guilders from 6.7 billion. Equities accounted for 2.5 billion guilders, down from 2.9 billion.

Frankfurt

Euphoria over German monetary union, which took effect July 1, spread to West German stock exchanges last week.

The DAX indicator gained 52.90 points, to 1,932.80, while the Commerzbank index finished 57.90 points higher, at 2,355.20.

Volume on the eight West German stock exchanges totaled 44.71 billion Deutsche marks, down from 47.47 billion DM.

Banks, hoping for dividends from monetary union, were sought after. Commerzbank gained 21 DM, Dresdner 27.30 DM and Deutsche Bank 32.50 DM.

Volkswagen was up 20 DM while BMW added 21.50 DM. Daimler-Benz gained 0.50 DM to 844 DM.

Hong Kong

Stocks rose last week, boosting the Hang Seng Index to its highest level since the 1987 global stock price collapse. The indicator ended up 79.37 points, or 2.42 percent, at 3,357.61.

Average daily volume fell to 1.89 billion Hong Kong dollars from 2.03 billion dollars.

Dealers were optimistic about the coming week after the Hang Seng ended above the post-collapse high of 3,309.64, set May 15, 1989.

London

Poor corporate and economic news depressed prices, with the Financial Times 100-stock index falling 34.6 points, to 2,340.0.

Many blue-chip stocks were affected by the pound's strength against the dollar and the Deutsche mark. The lower values for foreign currencies will hurt the earnings of overseas subsidiaries of British companies when the profits of those units are expressed in sterling.

Economic data showing continued inflationary pressure added to the gloom, and bonds also fell.

Retailers and insurers were the worst performers. Oil stocks firmed on higher petroleum prices and some banks gained after falling to levels that brokerage firms found attractive.

Milan

Prices were sharply lower, dragged down by a gloomy forecast by Fiat and by labor troubles.

The MIB index fell 3.27 percent, to 1,065, while the Comit indicator shed 3.22 percent, to 729.49. Volume on the exchange totaled 50 million shares, up from 45 million.

One of the main factors in the deterioration was a statement by Gianni Agnelli, the Fiat chief, that the industrial conglomerate has hit the limit of its growth and would have trouble maintaining competitiveness.

Analysts said the market was also sensitive to management-labor tension, despite government mediation to try to prevent a general strike called for July 11.

Fiat lost 6.29 percent, dragging down other blue-chip shares with it. Generali, lost 3.81 percent, Mediobanca, fell 5.05 percent and Olivetti finished 6.23 percent lower.

Bucking the trend was Enimont, which gained 0.54 percent.

Paris

The bourse was abandoned by investors at the start of the summer vacation season. The CAC 40-stock index fell 1.6 percent, to 2,001.90, near its level at the start of the year.

Analysts said that many foreign investors, who had helped lift prices recently, were either on vacation or had turned their attention to the West German or U.S. markets.

Singapore

SINGAPORE — Prices rose slightly, but trading was lethargic because of poor corporate financial results and a flood of new issues.

The Straits Times Industrial Index rose 9.02 points, to 1,535.98. The Stock Exchange of Singapore all-Singapore index rose 0.27 points, to 434.47. Volume fell to 171.2 million shares from 324.9 million.

Most activity was concentrated among small investors focusing on low-priced and Malaysian issues.

Tokyo

Stocks were boosted by index-arbitrage, and the Nikkei Stock Average of 225 issues rose 1.6 percent.

The Nikkei ended at 32,445.12 yen, up 504.88 points. The previous week, it gained 245.67 points. The broader Tokyo Stock Price Index rose 20.84 points, to 2,364.20. Average daily volume slipped to 463.3 million shares from 463.7 million.

Behind the surge was index-arbitrage buying, aimed at profiting from discrepancies between stock-index futures and current equity values. Investors on the spot market were inspired by a stable Tokyo bond market and the dimming possibility of inflation in West Germany after German monetary unity.

Zurich

The market posted some solid gains, still profiting from the planned acquisition of Jacobs Suchard by Philip Morris of the United States.

The Swiss Performance Index gained 21.3 points, to 1,221.1, while the Crédit Suisse Index rose to 676.3 from 671.0. The Swiss Bank Corp. index closed at 692.7, up from 681.8.

Analysts said the Suchard deal has brought to light the undervalued character of many Swiss shares.

Among banks, UBS gained 170 Swiss francs to 3,730 while in chemicals, Ciba-Geigy gained 80 francs to 3,130.

Alusuisse was up 83 francs at 718 while Georg Fischer lost 20 francs on the week to 2,290.

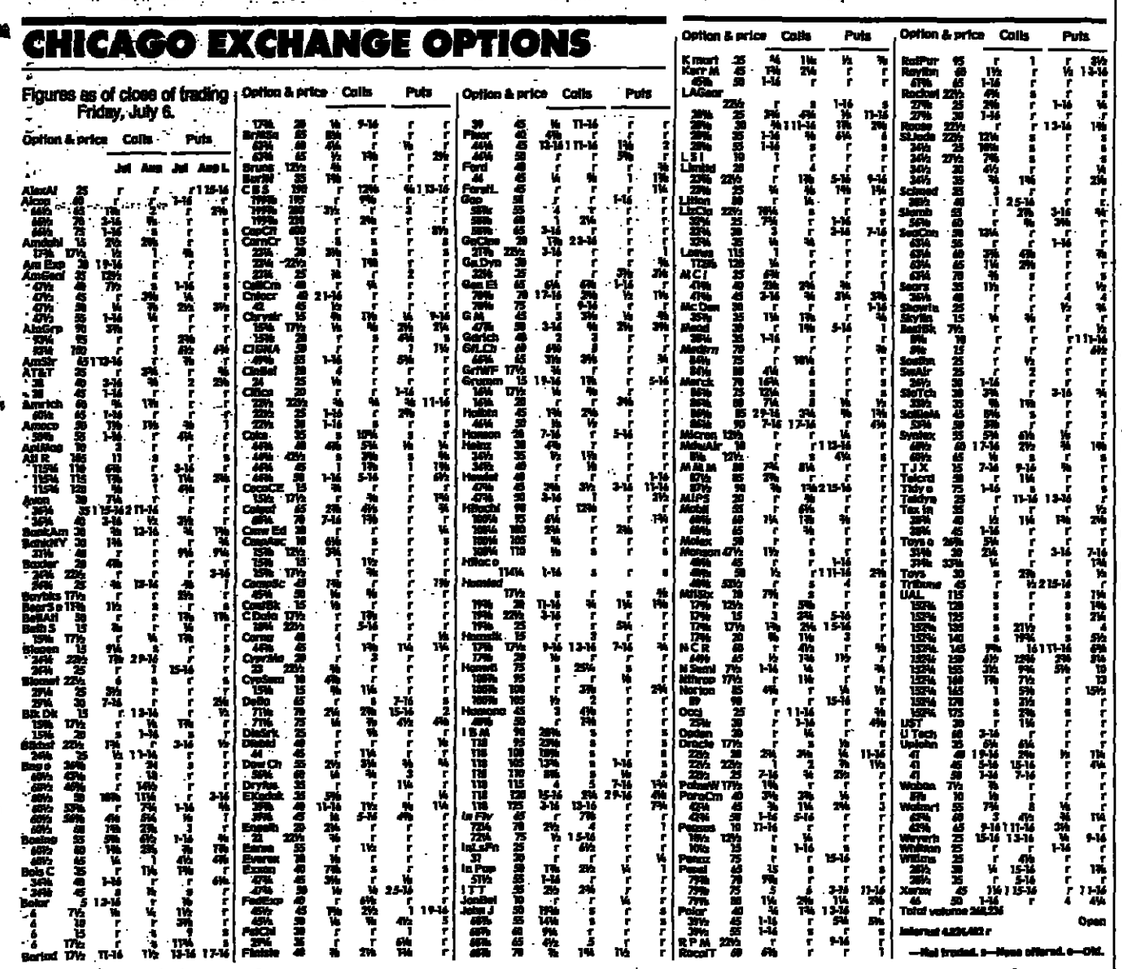
NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, July 6.

(Continued)

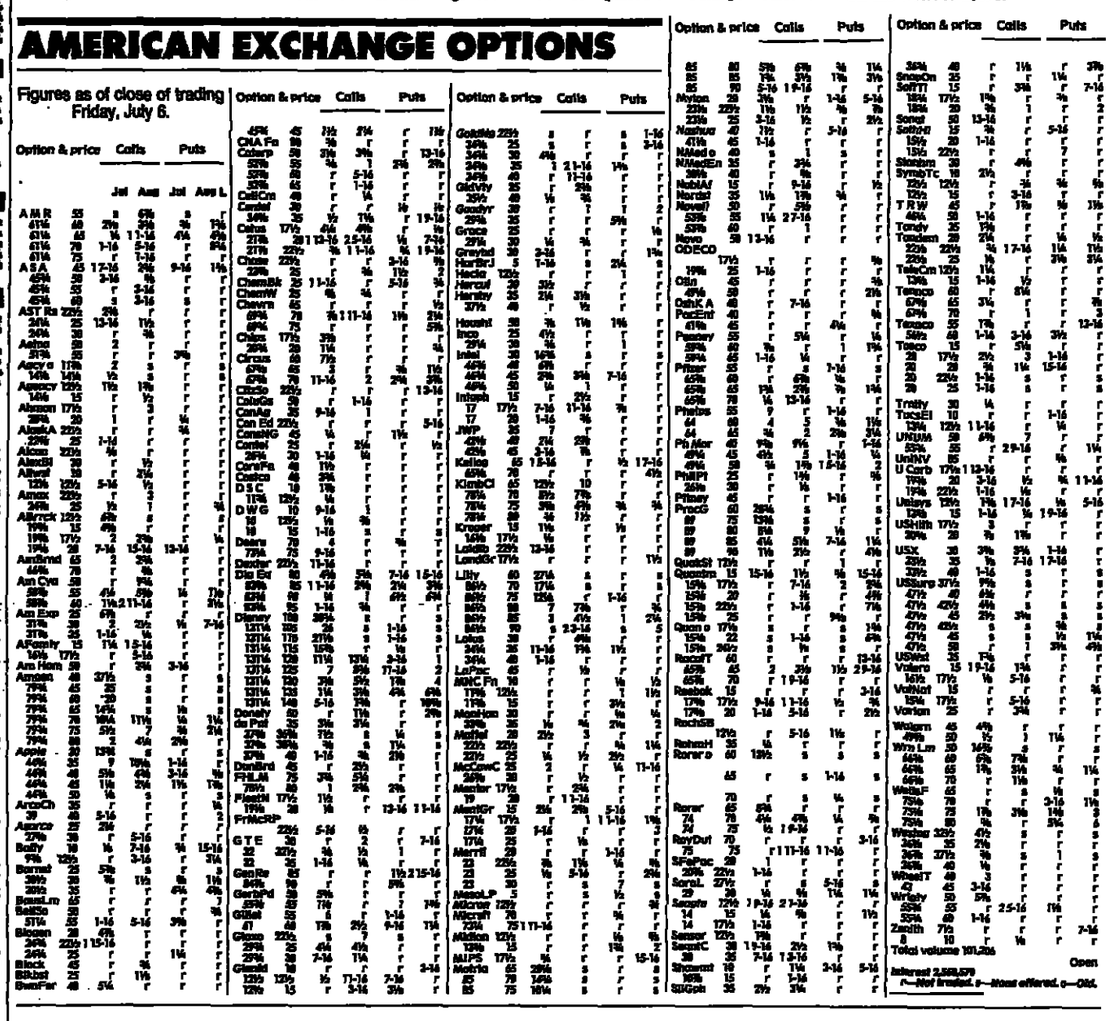
CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, July 6.



AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, July 6.



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SPORTS/THE WORLD CUP

For Cup Viewers in U.S., Double Vision

By Joe LaPointe
New York Times Service

NEW YORK — Watching soccer on television in the United States is like watching a great party going on across the street from your house.

You can hear good music and hearty laughter through the open windows. You can see happy dancers past the open curtains. But it isn't always easy to understand what all the noise is about.

When Argentina played West Germany for the World Cup championship on Sunday, the match from Rome could be seen on not one but two American networks: on Ted Turner's TNT service, which appears on many cable systems, and on Univision, which broadcasts in Spanish both over the air and on some cable systems.

Some homes could get both networks. Many could see neither. It might have been best to try to tune in two sets at once to watch the same game on both networks at the same time. Even then, the two halves likely didn't make a whole.

Let's start with the invisible goals, like the one in Italy's 1-0 victory over Ireland in a delightful quarterfinal game.

TNT missed the live coverage of the goal because it was on a commercial break. Even though there are no clock stoppages in soccer, TNT breaks five times each half for at least a minute every time.

It is irritating enough when TNT shows paid advertising. It is maddening when TNT adds promotions for other shows on this and other Turner stations: old movies, sitcom reruns, wrestling and Atlanta Braves baseball.

Even worse was when TNT missed another goal during the Italy-Argentina semifinal. This time, TNT was showing neither an ad nor a promotion for an Elvis movie. It was showing a picture of the World Cup trophy.

Watching the World Cup on TNT is like sitting behind a post at a baseball game.

Compared to these mortal transgressions, it is easier to forgive TNT its other errors, such as its avoidance of pre- and post-game ceremony, its lack of interviews with participants, its use of splashy informational graphics and its chronic missing of second-half kickoffs.

On Univision, they have solved the commercial interruption problem in a simple and brilliant way. Instead of breaking away from play during commercials, the paid ads appear horizontally, in the lower part of the picture, superimposed but not too distracting.

For instance: an animated car drives across the bottom of the screen, followed by the word "Honda." A familiar beer label appears alongside the message that this Bud "*es para usted*" — This Bud's for you.

What better way to keep the viewer content while entering his consciousness with a product pitch? Instead of prompting the viewer to hurry to the kitchen or bathroom, the commercial flows with the show in an unobtrusive way.

Univision's coverage also offers several negatives. The announcers, Noberto Longo and Andres Cantor, seem very aware of ebb and flow of play and the cadence of their voices (they speak in Spanish) melds well with the pace. But they are not at the game. They are describing the action off a monitor while in a studio in California.

And the lack of a strong UHF signal on some Univision outlets makes tuning in the telecasts an adventure in some areas. (It was probably best to try using a black-and-white portable. Carry it to the highest floor in the house. Place it near a window. Hook it to your best antenna. Move it around. Where there's a will, there's a way).

The audience for Sunday's championship final numbered tens of millions across the world and "dozens of us" in the United States, as ABC's Ted Koppel said on "Nightline."

TNT says 915,000 households tuned in to the West Germany-England semifinal on the Fourth of July, with more than one viewer per set; the network expected to attract a million homes for the championship.

Univision said it expected to attract an audience of 3 million Hispanic homes in the United States for the final, a figure that did not include viewers who do not speak Spanish. That is not a huge audience compared with the roughly 40 million homes that turn on an average Super Bowl. But, given the circumstances, it is not an insignificant group.

But on a day on which much of the whole world would be watching the whole game, the American viewer had to settle for a narrow and blurry version of double vision.

Italy and England Are Both Cheered As Heroes Day After

Compiled by Our Staff From Dispatches

ROME — The English team returned home Sunday to a heroes' welcome while Azeglio Vicini, castigated by millions of his fellow Italians for not bringing home the World Cup, was proud that his squad's campaign had nonetheless ended with heads held high.

"There may be some bitterness that we didn't get further, but we finished with our peace of mind restored," he said after the team returned to Rome from Bari, where it had beaten England, 2-1, in the third-place playoff Saturday night.

"I think the boys, and all of us, can go home in a good frame of mind," Vicini added before taking his players off for lunch with Prime Minister Giulio Andreotti.

"We can hold our heads high," Vicini said. "We had six victories and one draw — we lost only on penalties — and the way in which the players conducted themselves was exemplary."

"We didn't come first, that was a big disappointment. We showed perhaps that we deserved more, but football is like that."

Salvatore Schillaci took the tournament's goal-scoring lead, and gave Italy third place, by scoring on a penalty kick with six minutes left in Saturday night's match.

Schillaci got his sixth goal of the tournament and fifth match-winner when he fell approaching the net after getting tangled up with Paul Parker, an English defender. The referee, Joël Quniou of France, awarded a penalty and Schillaci, who rarely takes penalty shots, beat goalkeeper Peter Shilton.

"Schillaci went beyond all expectations," said Vicini. "In this past month the transformation in his level of play has been really incredible."

Earlier, an error by Shilton cost England dearly by leading to Italy's first goal. Shilton, making perhaps the worst mistake of his 20-year career with the national team, released the ball near the corner of the penalty area, but the nearest player was Robert Baggio of Italy.

Baggio took the ball and passed to Schillaci, who dribbled around Shilton and passed back. Baggio put in a left-footed kick from directly in front of the open net.

After the match, Shilton, 40, announced his retirement from international soccer, having made a world record 125 international appearances. He said that he would continue to play for Derby County in the English League.

England tied it with 10 minutes to go on a pass from Tony Dorigo, who was making his World Cup debut, to David Platt, who put a header past Walter Zenga, the Italian goalkeeper.

It was Platt's third goal of the tournament, and only the second that Zenga surrendered.

Italy finished with a 6-1 tournament record, the only loss coming in a shoot-out against Argentina in the semifinals. England finished 3-2-2, also losing a semifinal shoot-out, to West Germany.

"Yes, we tried our best in all matches and we are happy with the team, even though we feel a bit cheated," said Vicini, referring to the shoot-out loss. "Seeing as we made 13 of 14 points, we feel a bit vindicated.

"It is an unfair result," he added.

After the seminfinal loss, the Italian press and the public had called for Vicini's resignation, but the Italian soccer federation said that he would remain.

Vicini said that most of his players were young enough to go onto more great achievements in the future, but added: "It is premature to talk of the future. First we can all go for a few days holiday."

It was Bobby Robson's final match as manager of the English team. Robson will become coach of PSV Eindhoven in the Dutch League.

"I'm sorry," Robson said of his departure, "I'm going to miss it. I'm sad. It's been my life for eight years and it will take some adjusting."

When the English squad returned home on Sunday, an estimated 10,000 fans turned out to greet the players at Luton airport, north of London.

(AP, Reuters)

Lineups

England — Shilton; Wright (Waddle, 72d minute); Parker; Stevens; Walker; Dorigo; Steven; Platt; McMahon (Webb, 72nd minute); Beardsley; Lineker.

Italy — Zenga; Baresi; Bergomi; Ferrara; Maldini; Vierchowod; De Agostini (Berti, 66th minute); Ancelotti; Giannini (Ferri, 90th minute); Baggio; Schillaci.

Gianni Foggia/The Associated Press

AP

England's goalkeeper, Peter Shilton, above left, went the wrong way as Salvatore Schillaci scored Italy's game-winner on a penalty kick. Shilton, 40, who later announced his retirement from the English squad, was emotional after his final international match. It was also the last international match for England's coach, Bobby Robson, while Italian team members celebrated their 2-1 victory over England and third-place finish in the tournament with a wave.

Gianni Foggia/The Associated Press

Vialli Sorry For Outburst

Reuters

ROME — The Italian striker Gianluca Vialli has apologized to his World Cup teammates for an angry outburst in which he accused the team's coach, Azeglio Vicini, of treating him like a workhorse.

"I made a mistake talking like that," said Vialli, who had expressed disappointment after being excluded from the third-place playoff match against England on Saturday night. "If I could go back I would wipe it all out."

Vialli, who turns 26 on Monday, was expected to be Italy's star at the World Cup after playing a vital part two years ago when the side reached the semifinals of the European championship.

But, not playing well after a thigh injury and a loss of confidence, he missed three matches.

Brought back for the semifinal against Argentina, he criticized Vicini for pushing him into an unfamiliar supporting role to Salvatore Schillaci.

"I'm bitter because I've realized that I'm only useful when they need a mule," Vialli had said upon learning that he would not play against England. But after Italy's 2-1 victory, he repented.

"I made a mistake because I have only just realized that some things, said on the eve of an important match, upset the atmosphere," he said. "It was the very last thing I should have done.

"Out of respect for my teammates, I will behave differently another time."

Vicini had already forgiven Vialli, calling his comments "just the words of a disappointed boy."

FIFA President Defends Shoot-Out Showdowns

Havelange: 'If You Don't Agree You Don't Have to Take Part'

Reuters

Havelange: 'Losers complain.'

Compiled by Our Staff From Dispatches

ROME — The president of FIFA, João Havelange, has defended the use of penalty shoot-outs to decide matches and the numerous yellow and red cards issued during the monthlong championship.

Responding to the harsh criticism of the penalty shoot-outs that decided both semifinals and of the suspensions that depleted Argentina's lineup for the final against West Germany, Havelange said Saturday, "If you don't agree you don't have to take part."

The outcry against shoot-outs at the tournament increased after Italy lost to Argentina and England lost to West Germany in the semifinals in shoot-outs, even though both were unbeaten.

"Especially the losers complain," Havelange said.

"West Germany was prepared in all aspects," he said, referring to penalty kicking skills in the 4-3 victory in the shoot-out against England.

There were four penalty shoot-outs in the 14 matches since the first round. Argentina won two to reach the final.

Havelange said it would be too exhausting for the players to have to go through indefinite overtime or replay the match the next day, two suggestions that have been made.

He said, "In 30 days we have 52 matches. That takes a lot of effort.

"You cannot prolong or repeat matches for medical reasons," he adding, noting that FIFA's medical committee agreed on this issue.

Other proposals raised, such as a count of corner kicks to decide the winner or a decision by a panel of judges, were also rejected.

"If you have better ideas, write us," Havelange said.

He said the system was already a huge improvement over the 1958 World Cup, when a coin would have been flipped to decide the winner in case of a draw after regulation time.

"I couldn't stand it," he said. "I'm not a gambler, I'm a sportsman."

In the early years of the World Cup tournament, the rules provided for drawn matches to be decided by a replay the next day. That happened once in 1934 and three times in 1938.

From 1950 through 1978, the format was changed for the preliminary stages of the tournament to award teams two points for a victory and one for a draw, with the four teams advancing to semifinal matches or the best two to a final.

If any of those matches had ended in a draw — none did — a replay would have been held, and if that match had ended in a draw, the rules provided for the use of penalty kicks.

In 1982, when the tournament was expanded to 24 teams from 16, the replay provision was eliminated. Penalty kicks would break any draw in the final stages of the tournament after the 90 minutes of regulation and 30 minutes of overtime.

That year, one semifinal went to penalty kicks. In 1986, penalty kicks decided three quarterfinal matches and one semifinal.

But it was not until this year's tournament, in which both finalists needed such kicks to advance, one at the expense of the host country with its passionate followers, that the question took on a new intensity.

The usual procedure for changing the rules requires one of FIFA's 166 member countries to propose legislation. So far, none have become so uncomfortable with penalty kicks to do so, and Havelange said he had no reason to believe any country would. Not that he hasn't heard the mutterings.

"It is always a question that comes after elimination," he said. "In this respect, it is a question not to be taken in the heat of passion. It must always be considered from a remote point of view." *(AP, NYT)*

Italy's Ticket Touts Are Losers, Too

Reuters

ROME — The city's ticket touts were in trouble Sunday as a World Cup final without the Italian team sharply reduced demand for seats.

Thousands of Italians, depressed and miserable after Italy's elimination by Argentina in the semifinals, were trying to unload their own tickets for the final between West Germany and Argentina.

Before Italy was eliminated, touts had been asking as much as three million lire (about $2,500) for the best seats, with a face value of 231,000 lire.

But many Romans abandoned the city for the beaches on Sunday, leaving the touts scrambling for customers. Tickets were said to be available for as little as 300,000 lire.

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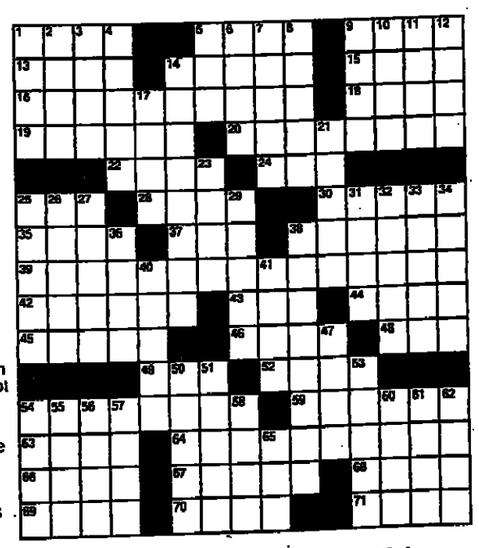

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Solution to Friday's Puzzle

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Match Ends in Anger as West Germany Wins Its 3d Championship

The Worthy Champions, And the Wretched Losers

International Herald Tribune

ROME — West Germany, which lost the World Cup final to Argentina in Mexico four years ago, gained vengeance on a warm Sunday night. The Germans won on a penalty kick by Andreas Brehme about eight minutes before the game was to end, and no one can dispute that the team of Franz Beckenbauer is a worthy holder of the trophy.

Equally, there is no disguising that Argentina, although its captain, Diego Maradona, left the field crying like a baby whose rattle had been stolen, had proven a team of cheats determined to defend their title with atrocious violence.

Argentina doubtless felt that it was discriminated against by having a dubious penalty called against it, and by having two men expelled before an overwhelmingly West German crowd. But be honest, how much did we expect from the Argentines in this finale?

According to the statistics, 1.5 billion people, the biggest television audience ever amassed, was tuned in to this spectacular in Olympic Stadium in Rome. They augmented the 73,603 spectators who had paid dearly to be drawn to the flame of Maradona and the supporting cast. Alas, Maradona's Argentina intended to destroy the joy, to debase the ethics of a game in which two sides are supposed to contribute attacking moves. In short, the negative tactics that have taken this fated world champion to this final were not to be changed.

Rob Hughes

ARGENTINA began the game with 152 fouls, and the team it fielded was weakened by the suspension of four men, including its leading goal-scorer, Claudio Caniggia.

And the fouls continued to pound against the German shins, 11 of them in the opening half-hour. West Germany was prepared to commit enormous physical energy, bursting down the flanks. Although Brehme, particularly, was able to put in some teasing crosses, Rudi Völler managed to arrive fractionally late, either mis-hitting a chance from close range or failing to connect with the ball altogether.

The pattern was unrelenting. West Germany poured men forward, and its players were full of vigor and muscle. But Argentina's cynics wove a spider's web that had enmeshed far more inspirational teams, starting with Brazil and continuing in the semifinal against Italy.

Inspiration? Surely Maradona is the most gifted soccer player of his generation? Well, he certainly was. Throughout this tournament, often crying injured and dreadfully reviled by fans of all nations, he has flickered but more often has deceived.

It is painful to see Maradona playing for free kicks, playing prima donna in order to get opponents sent off and others shown the yellow card — as Völler was in the 55th minute when he kicked the Great One and Maradona managed to convert the contact with his ankle into 50 seconds of rolling agony. Pretending that his wrist was shattered, he actually induced the officials to go through the motions of bringing on a stretcher.

SO, ON probably the last great stage "graced" by this phenomenal footballer, we had more reason for the pitiful baiting that cascades down from the stands instead of the applause that we would all like to give.

Why am I not describing the skills of this last of 52 matches in a 30-day tournament? I kept looking, I kept hoping, but the players kept denying the fulfillment of talent we know, or we think, they possess.

Yet twice, as the second half resumed, the West Germans came close to turning their many free kicks into goals. In the 47th minute, Pierre Littbarski curled a low shot wide of Sergio Goycochea's left post. That, at least, was close. And two minutes later, Thomas Berthold attempted a flying header to connect with another free kick from Brehme, this time the ball going over the crossbar.

After an hour of this waiting game, this constant but uninspired West German attack on Argentine negativity, Brehme lost patience with his forwards and attempted to score in the most direct fashion. His left-foot shot from about 30 meters (32 yards) produced a spectacular save from Goycochea, who, like a circus acrobat flung himself to the ground to divert the ball past his post.

At last, a spectacular thrust and counterthrust. But, what this wretched game was building toward was the utter disgrace that arrived in the 67th minute. No player in 60 years of the World Cup finals had ever managed to be shown the red card in the showpiece game. Pedro Monzón, who had already served a suspension for his despicable foul play in this tournament, did not even require a full game to create the worse kind of history. He entered the battle as a substitute after halftime. And in the 67th minute he saw his target, not the ball, but the ankles of Jürgen Klinsmann and hacked at them. A debasing foul, exaggerated by the histrionic leap into the air by Klinsmann. But undoubtedly, expulsion for Monzón was the only true course the Mexican referee, Edgardo Codesal, could take.

And as Monzón stood, even then denying his intent with a mocking stare, swarms of midges molested us high in the stands above this sorry spectacle.

ARGENTINA had been confined to a solitary chance in the 90 minutes. It was, inevitably, following a foul, this time by West Germany's Guido Buchwald on José Basualdo. And almost as inevitably Maradona took the free kick from the edge of the penalty area but directed it wastefully over the crossbar.

How would it end? Perversely? Only a penalty could prevent the ignominy of overtime, and one was given in the 84th minute.

Roberto Sansini dispossessed Klinsmann as he went for the goal. In my view, it was one of the better Argentine tackles, it connected with the ball, but Klinsmann fell over Sansini's leg and for that was awarded the penalty kick.

It could not be taken before José Serrizuela received another yellow card for violent dissent. But when the Argentine mayhem petered out, Brehme converted the penalty even though Goycochea almost got a hand on the ball as it passed him.

Almost the end of the story. Time only for a second moment of disgrace. Gustavo Dezotti, already having been shown the yellow card, became the second Argentine expelled from the match when he wrestled Jürgen Kohler to the ground. Maradona, too, was then shown a yellow card for trying to tell the referee that Dezotti had been incensed by Kohler's time-wasting. How ironic; Argentina had wasted our time throughout much of this tournament.

Rob Hughes is on the staff of the Sunday Times

Martina Hellmann/Agence France-Presse

Gustavo Dezotti of Argentina being shown a yellow card by referee Edgardo Codesal as Brehme, Matthäus and Littbarski look on.

Beckenbauer May Join U.S. Organizers

By Michael Janofsky
New York Times Service

ROME — Franz Beckenbauer, the coach of West Germany's team and a former player for the New York Cosmos, is expected to join the organizing committee for the 1994 World Cup in the United States.

Several people familiar with the arrangements said Saturday the 44-year-old Beckenbauer, one of the sport's legendary players and the captain of West Germany's 1974 world champions, would work for the organizers in a marketing and promotional role.

He is not expected to become involved with the U.S. national team, which has an automatic berth in the tournament as the team from the host country.

An agreement between Beckenbauer and the committee has been reached, sources said, but the announcement was being withheld until after the final Sunday.

Beckenbauer, who speaks fluent English, has for several months been the subject of speculation about his return to the United States.

Charles Platiau/Reuters

Lothar Matthäus, the West German captain, flying over a defender as Diego Maradona looks on.

3 of World's Great Tenors Conclude Cup With Song

United Press International

ROME — Three of the world's greatest tenors, Luciano Pavarotti, José Carreras and Placido Domingo, sang together for the first time in a World Cup-concluding concert that reached its climax early Sunday.

The unprecedented concert to mark the closing of the World Cup soccer championship was staged before the backdrop of the third century Baths of Caracalla and in front of an audience of 6,000, including a former U.S. secretary of state, Henry Kissinger.

An estimated 1 billion people in 30 countries watched the show on television as the three tenors and sang together under the direction of the Indian-born conductor Zubin Mehta.

Under a full moon and with the sound of crickets chirping from under the surrounding pine trees, the concert opened with a rendition of Verdi's "Sicilian Vespers."

The tenors sang first alone and then together, rounding off the concert with a medley of popular songs arranged by the Hollywood composer Lalo Schifrin, to rapturous applause.

Not all the critics were quite so enthusiastic.

"It's ridiculous to make tenors sing popular songs," commented a music critic for the newspaper La Repubblica, Michelangelo Zurletti. "They immediately turn into the worst kind of melodrama."

But other critics emphasized the light-hearted atmosphere generated by the singers and the technical triumph of broadcasting such a spectacle to a worldwide audience.

Cars were banned from the vicinity of the Baths of Caracalla during the concert and there was even an unprecedented diversion of airline flights so that the concert would not be disturbed.

Recordings of the concert on video, vinyl and compact disc are due to go on sale in September. The profits are to be donated to charity, the organizers of the concert said.

The three singers also said they would donate their appearance fees to charity.

Carreras, who recently had to battle back to health after suffering from leukemia, said his earnings would go for research into the blood disorder.

"This was a real opera world championship to set beside the soccer championships," said Carlo Fuscagni, director of the state-run television network that broadcast the show.

Karl Heinz Kreifelts/The Associated Press

Diego Maradona of Argentina, left, and Guido Buchwald of West Germany crossing paths.

Schillaci Seeks Longer Juventus Deal

ROME (Reuters) — Salvatore Schillaci, star of Italy's team, said Sunday that he was not interested in lucrative new contracts and wanted to extend his contract with Juventus.

Schillaci, a second-division player little more than a year ago, has not allowed his performance — he scored six goals for Italy — to overwhelm him, although he has become a national hero. His contract with Juventus, where he will be joined next season by Roberto Baggio, another star of the World Cup squad, is to run for two more seasons.

"I want to extend my contract with Juventus as soon as possible," he said. "I want it to go on for at least five seasons. Believe me, it is a question of peace of mind. I have a family and I want it to be secure."

Brehme's Late Penalty Kick Ousts Defending Champions

Compiled by Our Staff From Dispatches

ROME — West Germany won its third World Cup title on Sunday when Andreas Brehme scored with a penalty kick in the 84th minute for a 1-0 victory over an angry Argentine team.

Argentina surrendered the title it won four years ago in Mexico City with a 3-2 victory over West Germany and became the only team not to score in a World Cup final.

Two Argentines became the first players to be sent off in a final.

Argentina's captain, Diego Maradona, a star of the 1986 final but hardly a factor Sunday, broke into tears after the defeat and angry Argentine players surrounded the referee, Edgardo Codesal of Mexico, and jostled him.

West Germany, which also won in 1954 and 1974, joined Italy and Brazil as a three-time winner of soccer's most coveted title.

Argentina had been bidding to become the first team to repeat as champion since Brazil in 1962.

Pandemonium broke out on the field when the match ended, as Argentine players surrounded Codesal at the center of the field and angrily disputed the penalties he had called.

Carlos Bilardo, the Argentine coach, rushed on to the field and had to pull his players away from the referee, who was being pushed and bumped.

Other officials managed to get between the referee and the Argentine players and keep the incident from getting out of hand.

Argentine defender Nestor Lorenzo left the field in tears with blood dripping from his mouth.

The spectators in Olympic Stadium exploded with joy at the final whistle, with many West German fans in the capacity crowd of 73,603. Chancellor Helmut Kohl of West Germany went onto the field to congratulate the team and its maanger, Franz Beckenbauer.

Many observers had considered the West Germans the most talented in the tournament field, a team that continually attacked while most of the others played deliberately defensive soccer.

The West Germans applied tremendous pressure from the beginning and Argentina rarely threatened the West German goal.

"We pressured from the start and kept it up for the entire match," Beckenbauer said.

He became the first man to win the cup as both a captain and a coach. He was the captain of West Germany's 1974 side.

"There is nothing more you could win," said Beckenbauer, who is retiring from his coaching post.

"We played today like we played during the entire tournament, with full pressure," he added. "I don't think there was another team that deserved more to win this World Cup."

The resolute Argentine defense lost its composure only in the dying minutes, although the Germans whipped a number of quick passes into the goal area in the first half, aimed at strikers Jürgen Klinsmann and Rudi Völler.

Captain Lothar Matthäus created two glorious opportunities for Völler, but on the first the striker hesitated too long and on the time his shot was headed over the crossbar.

The second half followed a similar pattern. Midfielder Pierre Littbarski crashed a low drive narrowly wide and chipped a shot over the bar.

Thomas Berthold also came close with a header and the West Germans had a penalty appeal turned down after goalkeeper Sergio Goycochea tangled with sweeper Klaus Augenthaler. Goycochea also made a superb save to turn aside a low shot from Brehme.

But he could do nothing with the penalty shot.

It came after an Argentine defender, Roberto Sensini, brought down Völler. Both men were chasing the ball and Völler went down. Argentine players protested but Codesal held firm and pointed to the penalty spot.

Brehme sent a low kick to the left corner. Goycochea, who had stopped four penalty shots earlier in the tournament, read this shot but could not get his hand to the ball.

Argentina was reduced to 10 men after Pedro Monzón was sent off in the 64th minute for hacking Klinsmann. Monzón had only been in the game since the 46th minute, when he came on as a substitute for Oscar Ruggeri, but became the first player to be expelled in a final in 60 years of the World Cup.

Gustavo Dezotti was the second Argentine to be sent off, in the 87th minute, after grabbing defender Jürgen Kohler by the neck as tempers flared after the controversial penalty.

Maradona also earned a yellow card for arguing with the referee after Dezotti was sent off.

West Germany created the bulk of opportunities and Argentina's only shot at the goal was Maradona's harmless free kick in the first half.

West Germany had trouble, however, finding clear openings in the crowded Argentine defense and the game seemed to be heading for extra time until the penalty.

"We were ready to play extra time and I think we would have won," said Beckenbauer.

But Argentina had only itself to blame for the defeat. Dezotti, a substitute for suspended Claudio Caniggia, was its lone striker and never had a chance against the rock-solid West German defense.

Völler, the man fouled for the decisive penalty, said the result was a just one.

"It was a hard battle," he said. "But we attacked, they didn't."

Matthäus said that the entire team was delighted.

"All these great things happened for us," he said. "Maradona is the best, but he wasn't the best today."

The West German defense kept a tight grip on Maradona through the match and he was a forlorn figure at the end.

"We are sad to get to this point and lose," said Pedro Troglio, an Argentine midfielder. "But our second place is something to be happy with, because we started badly."

Argentina struggled to the final after losing its tournament opener to Cameroon. It beat Italy on a penalty shoot-out in the semifinal.

After the award ceremony, joyous West German players took a victory lap around the stadium, rushing toward the delirious, singing, cheering, flag-waving West German fans and holding the trophy triumphantly over their heads.

West German fans outnumbered Argentines by more than 6 to 1 at the final, as more than 30,000 West Germans had poured into Rome over the weekend. About 5,000 Argentines, some arriving on three charter flights, were expected at the match.

Riot police stepped in to stop minor scuffles between rival groups of fans outside Rome's Olympic stadium before the match but there were no signs of serious trouble.

(AP, Reuters)

Lineups

West Germany — Bodo Illgner; Andreas Brehme, Jürgen Kohler, Klaus Augenthaler, Guido Buchwald; Thomas Berthold (Stefan Reuter, 73d), Pierre Littbarski, Thomas Hässler, Lothar Matthäus; Rudi Völler, Jürgen Klinsmann.

Argentina — Sergio Goycoechea; Nestor Lorenzo, José Serrizuela, Roberto Sensini, Oscar Ruggeri (Pedro Monzón, 48th), Juan Simón; José Basualdo, Jorge Burruchaga (Gabriel Calderón, 53d), Diego Maradona, Pedro Troglio; Gustavo Dezotti.

Referee: Edgardo Codesal, Mexico
Linesmen: Michal Listkiewicz, Poland, and Armando Perez Hoyos, Colombia.
Attendance: 73,603.

■ Finalists Get Bonuses

Argentina's players each pocketed $61,000 after the World Cup final against West Germany, Reuters reported.

The 23-man squad — expanded by a replacement goalkeeper, Angel Comizzo, after the starter, Nery Pumpido, had his leg broken in the opening match — shared a pool that reached a maximum $1.4 million.

The Argentines would have gotten nothing extra for winning the title, but the West German players collected 125,000 Deutsche marks ($75,757) each for winning their country's third World Cup. Had they lost, each player would have received as much as $48,484 from a sponsor's pool.

THE WORLD CUP SHOWDOWN

QUARTERFINALS

BRAZIL	0
ARGENTINA	1
SPAIN	1
YUGOSLAVIA	2
IRELAND	5
ROMANIA	4
(0-0 after extra time; score is shoot-out result)	
ITALY	2
URUGUAY	0

QUARTERFINALS

ARGENTINA	3
YUGOSLAVIA	2
(0-0 after extra time; score is shoot-out result)	
IRELAND	0
ITALY	1

SEMIFINALS

ARGENTINA	5
ITALY	4
(1-1 after extra time; score includes shoot-out result)	

FINAL
Sun, July 8, Rome, 1800 GMT

ARGENTINA	0
W. GERMANY	1

THIRD PLACE
Sat, July 7, Bari, 1800 GMT

ITALY	2
ENGLAND	1

SEMIFINALS

W. GERMANY	5
ENGLAND	4

QUARTERFINALS

CZECHOSLOVAKIA	0
W. GERMANY	1
CAMEROON	2
ENGLAND	3

QUARTERFINALS

CZECHOSLOVAKIA	4
COSTA RICA	1
W. GERMANY	2
NETHERLANDS	1
CAMEROON	2
COLOMBIA	1
BELGIUM	0
ENGLAND	1

MONDAY SPORTS

Prost Outmaneuvers Capelli To Win French Grand Prix

Compiled by Our Staff From Dispatches

LE CASTELLET, France — Alain Prost claimed Ferrari's 100th victory in Formula One motor racing on Sunday when he drove to his third straight triumph at the French Grand Prix.

It was Prost's third victory of the season and his second in succession. He won the Mexican Grand Prix last month.

The victory on the Castellet circuit in southern France gave the second-place Prost 32 points in the world drivers' championship race, three behind leader Ayrton Senna of Brazil, who finished third in a McLaren.

Prost, starting from fourth on the grid, timed his run to perfection. After following Italian Ivan Capelli's Leyton House for more than 40 laps, Prost took the lead on the 78th lap of the 80 lap race, and finished in 1 hour, 33 minutes, 29.606 seconds. His average speed was 121.67 mph (197.34 kph).

Capelli finished ahead of Senna, Brazilian Nelson Piquet's Benetton, Austrian Gerhard Berger in the second McLaren and Italian Riccardo Patrese, who was sixth in a Williams.

Nigel Mansell of Britain, who started from pole position, did not finish but led briefly — one of the race's seven leaders. His engine failed seven laps from the end.

Prost's victory increased his career record to 42 victories in 160 starts and kept the world championship race wide open.

The Frenchman was delighted with his victory and paid tribute to the Ferrari team for its hard work in the last two races.

"We have now won two races in succession and that is great for the motivation of the team and good for the serenity of the team," he said. "It is also good for the championship."

Prost said he felt very optimistic about the rest of the season, particularly since Ferrari has still to introduce its new V-12 engine, so far seen only in qualifying.

Prost said he had great difficulties during the race in finding a way of overtaking and had particular problems in passing Capelli, who led from the 33d lap to the 78th.

"I had bad vibrations from my right rear tire because I had a big blister," Prost said.

Capelli, who like his Leyton House teammate, Mauricio Gugelmin of Brazil, had failed to qualify for the Mexican Grand Prix, said his car had been perfectly set up for the race.

"My chief problem was with the engine which had a misfire and started cutting out on the last few laps," he said. "In the end it was nearly not working at all."

Senna said he felt the four points he had collected for third place could prove valuable in the outcome of the championship.

Mansell was passed on the opening lap by Berger, who kept the lead until the 28th, when Senna went through on the inside. The Brazilian lost the lead, however, and his chances of winning slumped when he went in for a change of tires after 30 laps, taking 16.6 seconds.

This proved crucial to the outcome, as Prost's tire stop three laps earlier had taken only 7.5 seconds. *(Reuters, AP)*

Gareth Watkins/Reuters

Mansell, left, didn't finish, but his teammate Prost pulled through.

East German Wins Tour Leg

Reuters

BESANCON, France — Olaf Ludwig of East Germany became the first East European to win a stage of the Tour de France bicycle race in a sprint finish Sunday.

Ludwig, who has been in the top five in all the sprint finishes during the first week of the race, held off Johan Museeuw of Belgium and Ron Kiefel of the United States on the finish line of the 181.5 kilometer eighth stage.

The powerful sprinter from Gera, in his first professional season after winning almost every title in his 10-year amateur career, said: "Only last year it would have seemed unbelievable just to start the tour."

Steve Bauer of Canada finished in leading pack, 21 seconds behind, to retain the overall lead.

Holding a 17-second edge over second-place Ronan Pensec of France, Bauer said: "Things went well today, but I start to feel the pressure" because the riders "are heading toward the Alps."

Ludwig, the best known of four East German riders competing for the first time in the race, launched his decisive move 50 meters from the line after a first attack by Bruno Cornillet of France.

Dortmund Crew Wins Henley's Premier Prize

United Press International

HENLEY-ON-THAMES, England — The West German world champion crew Hansa Dortmund defeated Britain's national heavyweight eight of Leander and University of London by two lengths Sunday to retain the Grand Challenge Cup, the premier prize of Henley's rowing regatta.

The Germans, averaging 14 pounds (about six kilograms) per man in weight advantage, slowly but surely built up a lead from the start to finish in 6 minutes, 36 seconds. That was 38 seconds slower than last year's record time.

Eric Verdonk of New Zealand, the Olympic bronze medalist, took the Diamond single sculls by three-quarters of a length from Belgian world lightweight silver medalist Wim van belleghem.

It earned the Kiwi a "Haka" cry from a fearsome group of Maoris, attending the regatta to celebrate the 150th anniversary of the treaty of Waitangi between Britain and New Zealand.

Britain's Nottinghamshire County lightweight eight, were forced to re-row to victory in the Ladies' Plate last year, made it another success when they took the Thames Cup — again with victory over a Harvard University crew from the United States.

Harvard did produce one of its finest performances of the season to win the Ladies' Play by more than three lengths against London University.

Austrian world bronze medalists Karl Sinzinger and Hermann Bauer held off a powerful challenge from Britain's Martin Cross and Tim Foster to win the Silver Goblets for coxless pairs by one foot.

SIDELINES

A Red-Hot 60 Wins Monte Carlo Golf

MONTE CARLO (AP) — Ian Woosnam of Wales shot a record-setting nine-under-par 60 on Saturday to win the Monte Carlo Open by five strokes.

Woosnam, who finished with an 18-under-par total of 258, tied the record for lowest round in a European Tour event and bettered by one shot the record for the 6,197-yard Mont Agel course. His 258 broke the tournament record by two strokes. Woosnam missed equaling the world professional record of 59 when his putt on the final hole missed by only inches.

Costantino Rocca of Italy was five shots behind after a 63. At six back were Mark McNulty of Zimbabwe and Mark Mouland of Wales.

Wadkins Leads Anheuser-Busch by 3

WILLIAMSBURG, Virginia (UPI) — Lanny Wadkins shot a 67 Saturday to open a three-stroke lead over Curtis Strange in the $1 million Anheuser-Busch Classic, setting up a final-round showdown between the two Virginians.

Wadkins's 15-under-par 198 leads Strange by three strokes. Jerry Haas, Bob Wolcott, Chris Perry, and Scott Verplank were at 202, and Larry Rinker and Larry Mise were five shots behind at 203.

Wadkins would have built a larger lead if his putting had not fallen apart between the 10th and 14th holes, when he missed four putts of less than than 12 feet. But he regained his touch and then chipped in from 40 feet (12 meters) on the 17th hole to save par and maintain a three-stroke lead. Strange moved into sole possession of second place when he chipped in from 30 feet for a birdie on the 18th.

For Now, Steinbrenner Goes on Hold

NEW YORK (NYT) — George Steinbrenner, the principal owner of the New York Yankees, may know in two weeks how his entanglements with Howard Spira and Dave Winfield will affect his future in baseball.

After the Yankee owner testified for a second straight day before Fay Vincent, the baseball commissioner said he would likely begin to formulate a decision on the propriety of Steinbrenner's actions next Monday. Vincent proposed Monday as a starting date primarily to give Steinbrenner at least one more opportunity to defend his actions.

Being reviewed is Steinbrenner's payment of $40,000 to Spira, an admitted gambler, and his dealings with Winfield, who was traded to the California Angels. On Thursday, Vincent ordered Steinbrenner's team to reimburse the Angels $200,000 and pay a $25,000 fine for tampering with Winfield after the outfielder was traded.

For the Record

Virgil Hill retained his World Boxing Association light heavyweight crown for the ninth time, winning a unanimous 12-round decision Saturday over Tyrone Frazier in Bismarck, North Dakota. *(AP)*

Quotable

● Martina Navratilova, on her record 9th Wimbledon title: "I have a lot of friends at the house and I think there is a lot of champagne there. I've never been drunk in my life, but I think this may be the day." *(AP)*

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	46	35	.568	—
Toronto	47	37	.560	½
Cleveland	40	41	.494	6
Detroit	40	44	.476	7½
Baltimore	36	45	.444	10
Milwaukee	35	44	.443	10
New York	30	49	.380	15
West Division				
Chicago	48	29	.623	—
Oakland	50	31	.617	—
Seattle	42	41	.506	9
California	41	42	.494	10
Minnesota	39	43	.476	11½
Texas	39	44	.470	12
Kansas City	36	44	.450	13½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	48	32	.600	—
New York	46	31	.597	½
Montreal	47	34	.566	2½
Philadelphia	38	41	.481	9½
Chicago	36	47	.434	13½
St. Louis	34	48	.415	15
West Division				
Cincinnati	50	28	.641	—
San Francisco	42	39	.519	9½
Los Angeles	39	42	.481	12½
San Diego	37	42	.468	13½
Atlanta	33	46	.418	17½
Houston	32	50	.390	20

Friday's Line Scores

AMERICAN LEAGUE

Oakland 000 700 000—7 5 0
Cleveland 000 000 02x—2 7 0
Sanderson and Hassey, Afenir (7); Swindell and Alomar. W—Swindell, 4-5. L—Sanderson, 7-5. HRs—Cleveland, Jacoby (11), Webster (4).

Oakland 202 320 100—12 14 0
Cleveland 000 000 100—1 8 1
Moore, Klink (8) and Quirk, Afenir (8); Valdez, Guante (3), Kaiser (5), Walker (9) and Skinner. W—Moore, 7-7. L—Valdez, 2-5. HRs—Oakland, McGwire 2 (22), R. Henderson 2 (17), Lansford (3), Canseco (21), Quirk (1).

Minnesota 000 002 000 003—5 6 2
New York 000 000 000 000—0 11 0
(12 innings)

Anderson, Berenguer (10), Aguilera (12) and Harper; Hawkins, Mills (12) and Geren. W—Berenguer, 6-1. L—Hawkins, 1-4. Sv—Aguilera (21).

Minnesota 000 210 000—3 7 1
New York 300 200 00x—5 11 1
R. Smith, Savage (5) and Ortiz; LaPoint, J. D. Robinson (6), Guetterman (8), Risbeth (9) and Leyritz, Geren (8). W—LaPoint, 5-4. L—R. Smith, 4-7. Sv—Risbeth (17).

Baltimore 101 000 000—2 7 0
Chicago 200 000 20x—4 9 2
Hornisch, Ballard (7), Schilling (7) and Tettleton; M. Perez, B. Jones (8), Thigpen (9) and Fisk. W—M. Perez, 7-7. L—Hornisch, 7-6. Sv—Thigpen (27). HR—Baltimore, Mitchell (14).

Kansas City 000 000 000—0 1 0
Detroit 000 102 10x—4 10 0
Gordon, Farr (7) and Macfarlane; Morris and Heath. W—Morris, 8-5. L—Gordon, 5-6. HR—Detroit, Fielder (28).

Seattle 000 000 000—0 7 2
Toronto 001 000 20x—3 5 0
Holman, Comstock (8) and Valle; Wells, Henke (9) and Myers. Borders (9). W—Wells, 6-2. L—Holman, 8-7. Sv—Henke (14). HR—Toronto, Olerud (10).

Boston 000 000 000—0 7 2
Texas 001 020 10x—4 7 0
Gardner, Bolton (6), Ja. Reed (7) and Pena; K. Brown and Petralli. Stanley (7). W—K. Brown, 10-6. L—Gardner, 2-5.

California 311 002 100 000 000 1—9 14 0
Milwaukee 200 020 040 000 000 0—8 12 6
(14 innings)

Lamston, Eichhorn (8), Fraser (10), Minton (15) and Parrish, Schroeder (9); Powell, Navarro (3), Mirabella (7), Plesac (9), Crim (11), Edens (15) and Surhoff. W—Minton, 1-0. L—Edens, 1-1. HR—California, Winfield (10).

NATIONAL LEAGUE

Houston 010 000 001—2 6 2
Montreal 000 100 02x—3 7 0
Darwin, Agosto (7), Andersen (8) and Gedman; Blasio (7), Trevino (7); Boyd, Hall (7), Sampen (7), Schmidt (9) and Fitzgerald. W—Sampen, 7-1. L—Agosto, 4-3. Sv—Schmidt (11). HRs—Houston, Stubbs (12). Montreal, Walker (9).

Cincinnati 100 001 101—4 11 1
Philadelphia 000 000 010—1 5 2
D. Jackson, Dibble (8), Myers (9) and J. Reed; DeJesus, Carman (7), McDowell (8) and Lake. W—D. Jackson, 3-2. L—DeJesus, 0-2. Sv—Myers (17). HRs—Cincinnati, Larkin (4), Hatcher (2), Morris (2). Philadelphia, C. Martinez (7).

New York 000 010 003—10 11 1
Atlanta 010 010 014—7 11 1
Cone, Darling (8) and Mercado, Sasser (7); Avery, Boever (8), Richards (9) and Kreuters. W—Cone, 5-4. L—Avery, 1-3. HRs—New York, Sasser (3). Atlanta, Treadway (9), Gross (3).

St. Louis 100 002 200—5 11 0
San Diego 001 010 100—3 4 1
Tudor, Dayley (7), Niedenfuer (7), Le. Smith (8) and Zeile; Rasmussen, Grant (7), Rodriguez (8) and Parent. W—Tudor, 7-3. L—Rasmussen, 7-5. Sv—Le. Smith (11). HRs—San Diego, Parent (2), Templeton (7).

Pittsburgh 027 200 100—5 12 1
Los Angeles 000 000 111—3 6 1
Smiley, Kipper (8), Landrum (9) and Bilardello; Morgan, Searage (4), Crews (6), Gott (8), J. Howell (9) and Dempsey. W—Smiley, 4-3. L—Morgan, 7-7. HR—Pittsburgh, Bonilla (19).

Chicago 000 210 020—5 7 0
San Francisco 000 000 110—2 7 2
Bakkie, Assenmacher (7), Lancaster (7), S. Wilson (8), Lone (9) and Girardi; Garrelts, O'Neal (6), Vosberg (8), Bedrosian (9), Oliveras (9) and Kennedy. W—Bakkie, 2-4. L—Garrelts, 5-7. Sv—Lone (2). HR—Chicago, Sosa (7).

Saturday's Line Scores

AMERICAN LEAGUE

Seattle 200 000 000—2 3 0
Toronto 301 000 00x—4 3 0
Swan, Swift (2), Comstock (7), Jackson (8) and Valle; Key, Ward (8) and Borders. W—Key, 5-4. L—Swan, 1-2. Sv—Ward (7). HR—Seattle, Leonard (10).

Minnesota 111 100 000 000—4 10 0
New York 030 001 000 001—5 7 0
(12 innings)

Tapani, Candelaria (8), Leach (9) and Harper; Jones, Cadaret (3), Guetterman (9) and Leyritz, Geren (9). W—Guetterman, 4-3. L—Leach, 2-2. HRs—Minnesota, Harper (5). New York, Mazzo (2).

Oakland 000 000 000—0 2 2
Cleveland 100 100 00x—1 7 0
C. Young, Nelson (7) and Alexir; Black and Alomar. W—Black, 7-4. L—C. Young, 4-3.

Kansas City 002 000 200—4 5 2
Detroit 000 000 000—0 1 0
Appier and Macfarlane; Tanana, Nunez (3), Glenton (4), Henneman (9) and Heath. Sales (9). W—Appier, 4-3. L—Tanana, 5-6.

Baltimore 000 201 000—3 10 0
Chicago 100 000 00x—1 7 0
Mitchell, Olson (9) and Melvin; Hibbard, Peterson (5) and Fisk. W—Mitchell, 1-2. L—Hibbard, 6-5. Sv—Olson (16).

Boston 100 200 001—4 7 0
Texas 010 001 12x—4 10 0
Boddicker, Murphy (6), Lamp (7) and Pena; Ryan, Arnsberg (8), Rogers (9) and Petralli. Jo. Russell (7). W—Ryan, 8-4. L—Boddicker, 7-4. Sv—Rogers (7). HRs—Boston, Quinones (5). Texas, Sierra (11), Incaviglia 2 (19).

California 100 200 000 01—4 11 0
Milwaukee 000 020 100 00—3 11 0
Finley, Fetters (10) and Parrish; Knudson, Veres (8) and O'Brien. W—Fetters, 1-1. L—Veres, 0-1. HRs—California, Parrish (16), Howell (5). Milwaukee, Deer (14).

NATIONAL LEAGUE

Chicago 000 001 211—5 14 1
San Francisco 200 110 122—10 16 0
G. Maddux, S. Wilson (4), Lone (7), Assenmacher (8), Lancaster (9) and Girardi; Villanueva (9), Robinson, Bedrosian (7), Thurmond (8), Brantley (9) and G. Carter. W—Brantley, 3-1. L—Lancaster, 7-5. HRs—Chicago, Dawson (19), San Francisco, G. Carter (5), Ma. Williams (17), Butler (2).

Cincinnati 022 001 000—5 9 1
Philadelphia 000 000 000—0 6 0
Mahler and Oliver; Ruffin, Freeman (3), Cook (6), Akerfelds (9) and Daulton. W—Mahler, 3-3. L—Ruffin, 6-8.

New York 000 200 000—2 4 1
Atlanta 000 200 11x—4 6 0
Fernandez, Innis (7) and Sasser; Smoltz, Mercker (8) and Olsen. W—Mercker, 1-0. L—Innis, 1-2. HRs—Atlanta, Murphy (13), Justice (5), Presley (11).

Houston 010 000 000—1 5 0
Montreal 001 000 11x—3 8 0
Deshaies, Agosto (7), Andersen (7), Dou-smith (8) and Trevino. Blasio (8); Z. Smith, Schmidt (8) and Fitzgerald. W—Z. Smith, 5-4. L—Deshaies, 4-7. Sv—Schmidt (12). HRs—Montreal, Walker (10), Owen (5).

Pittsburgh 100 100 001—3 7 0
Los Angeles 202 000 02x—4 7 0
Terrell, Patterson (2), Kipper (5), Tibbs (8) and LaValliere; Belcher and Scioscia. W—Belcher, 7-6. L—Terrell, 2-7. HR—Los Angeles, Murray (11).

St. Louis 100 000 000—1 3 0
San Diego 100 010 10x—3 9 0
Magrane, DiPino (7), Niedenfuer (7), Horton (7) and Zeile; Hurst and Parent. W—Hurst, 5-7. L—Magrane, 4-12. HR—San Diego, Ja. Clark (11).

Japanese Leagues

Central League

	W	L	T	Pct.	GB
Yomiuri	44	27	0	.620	—
Taiyo	33	33	2	.500	8½
Hiroshima	33	33	1	.500	8½
Chunichi	34	35	1	.493	9
Yakult	31	36	0	.463	11
Hanshin	27	40	0	.403	14
Pacific League					
Seibu	42	29	2	.577	—
Orix	36	27	2	.571	6½
Nippon Ham	34	36	0	.531	9
Kintetsu	32	33	1	.500	11
Lotte	24	32	2	.429	15
Daiei	16	43	3	.271	24½

Saturday's Results

Yomiuri 7, Taiyo 5
Hanshin 11, Chunichi 6
Hiroshima 7, Yakult 6
Daiei 14, Nippon Ham 5
Kintetsu 6, Orix 5
Seibu 3, Lotte 3, tie, 12 innings

Sunday's Results

Seibu 9, Lotte 1
Kintetsu 7, Orix 2
Nippon Ham 5, Daiei 4
Yomiuri 4, Taiyo 2
Yakult 5, Hiroshima 4
Chunichi 9, Hanshin 5

CRICKET

England vs. New Zealand
Test 3, Day 3, Saturday
At Edgbaston, England
1st Innings: England 435 (all out); New Zealand 349 (all out).

CYCLING

Tour de France

Results Saturday from the seventh stage, a 38-mile leg from Vitrel to Epinal:

1. Raul Alcala, PDM, Mexico, 1 hour, 17 minutes, 5 seconds; 2. Miguel Indurain, Banesto, Spain, 1:24 behind; 3. Gianni Bugno, Chateau D'Ax, Italy, 1:47; 4. Pedro Delgado, Banesto, Spain, 2:05; 5. Greg LeMond, Z, Wayzata, Minn., 2:11; 6. Jean-Francois Bernard, Toshiba, France, 2:26; 7. Ronan Pensec, Z, France, 2:26; 8. Uwe Ampler, PDM, East Germany, 2:30; 9. Tony Rominger, Chateau d'Ax, Switzerland, 2:38; 10. Gerrit Solleveld, Buckler, Netherlands, 2:40.

Results Sunday from the eighth stage, a 181.5-kilometer (113-mile) leg from Epinal to Besancon:

1. Olaf Ludwig, Panasonic, East Germany, 4 hours, 26 minutes, 53 seconds; 2. Johan Museeuw, Lotto, Belgium, same time; 3. Ron Kiefel, 7-Eleven, U.S.; 4. Jean-Claude Colotti, RMO, France; 5. Andreas Kappes, Toshiba, West Germany; 6. Christophe Lavaione, Castorama, France; 7. Guido Winterberg, Helvetia, Switzerland; 8. Massimo Ghirotto, Carrera, Italy; 9. Pascal Lance, Toshiba, France; 10. Patrick Jacobs, TVM, Belgium, all same time.

Overall Standings

1. Steve Bauer, 7-Eleven, Canada, 34:32:03; 2. Ronan Pensec, Z, France, 17 seconds behind; 3. Claudio Chiappucci, Carrera, Italy, 1:07; 4. Frans Maassen, Buckler, Netherlands, 1:16; 5. Raul Alcala, PDM, Mexico, 7:19; 6. Gerrit Solleveld, Buckler, Netherlands, 7:23; 7. Greg LeMond, Z, U.S., 10:09; 8. Uwe Ampler, PDM, East Germany, 10:14; 9. Sean Kelly, PDM, Ireland, 10:18; 10. Guido Winterberg, Helvetia, Switzerland, and Vinhyaslov Ekimov, Panasonic, Soviet Union, 10:26.

AUTO RACING

French Grand Prix

Final results Sunday on the 80 lap, 3.81-kilometer (2.37-mile) circuit in Le Castellet, France with driver, country and car:

1. Alain Prost, France, Ferrari, 1 hour, 33 minutes, 29.606 seconds, 195.761 kmph (121.67 mph); 2. Ivan Capelli, Italy, Leyton-Judd, 8.426 seconds back; 3. Ayrton Senna, Brazil, McLaren-Honda, 11.06; 4. Nelson Piquet, Brazil, Benetton-Ford, 41.257; 5. Gerhard Berger, Austria, McLaren-Honda, 42.219; 6. Riccardo Patrese, Italy, Williams-Renault, 1:09.257; 7. Aguri Suzuki, Japan, Larrousse-Lamborghini, 1 lap; 8. Eric Bernard, France, Larrousse-Lamborghini, 1 lap; 9. Philippe Alliot, France, Ligier-Ford, 1 lap; 10. Michele Alboreto, Italy, Arrows-Ford, 1 lap; 11. Derek Warwick, Britain, Lotus-Lamborghini, 1 lap; 12. Martin Donnelly, Nth. Ireland, Lotus-Lamborghini, 1 lap.

Overall Standings

1. Ayrton Senna, Brazil, 35 points; 2. Alain Prost, France, 32; 3. Gerhard Berger, Austria, 25; 4. Nelson Piquet, Brazil, 16; 5. Jean Alesi, France, and Nigel Mansell, Britain, 13; 7. Thierry Boutsen, Belgium 11; 8. Riccardo Patrese, Italy, 10; 9. Alessandro Nannini, Italy, 7; 10. Ivan Capelli, Italy, 6.

TENNIS

Wimbledon

Men's Singles Final

Stefan Edberg (3), Sweden, def. Boris Becker (2), West Germany, 6-2, 6-2, 3-6, 3-6, 6-4.

Men's Doubles Final

Rick Leach and Jim Pugh (1), U.S., def. Pieter Aldrich and Danie Visser, South Africa, 7-6 (7-5), 7-6 (7-4), 7-6 (7-5).

Women's Singles Final

Martina Navratilova (2), U.S., def. Zina Garrison (5), U.S., 6-4, 6-1.

Women's Doubles Final

Jana Novotna and Helena Sukova (1), Czechoslovakia, def. Kathy Jordan, U.S., and Elizabeth Smylie, Australia, 6-3, 6-4.

MOST SINGLES CHAMPIONSHIPS

Men

7 — William Renshaw, Britain, 1881-86, 1889.
5 — Bjorn Borg, Sweden, 1976-80; H. Laurie Doherty, Britain, 1902-06.
4 — Renato F. Doherty, Britain, 1897-1900; Rod Laver, Australia, 1961-62, 1968-69.
4 — Anthony F. Wilding, New Zealand, 1910-13.

Women

9 — Martina Navratilova, Czechoslovakia-U.S., 1978-79, 1982-87, 1990.
8 — Helen Wills Moody, U.S., 1927-30, 1932-33, 1935, 1938.
7 — Dorothea Douglass Chambers, Britain, 1903-04, 1906, 1910-11, 1913-14; 6 — Blanche Bingley Hillyard, Britain, 1884, 1889, 1894, 1897, 1899-1900; Billie Jean King, U.S., 1966-68, 1972-73, 1975; Suzanne Lenglen, France, 1919-23, 1925.

TRANSACTIONS

BASEBALL

American League

CALIFORNIA—Activated Greg Minton, pitcher, from 60-day emergency disabled list. Optioned Devon White, outfielder, to Edmonton, Pacific Coast League.

DETROIT—Recalled Steve Searcy, pitcher, and Travis Fryman, infielder, from Toledo, International League. Optioned Brian DuBois, pitcher, and Jim Lindeman, infielder, to Toledo.

A Late Score: Big Spiders 1, Big Blue Jay 0

Compiled by Our Staff From Dispatches

TORONTO — Glenallen Hill of the Toronto Blue Jays may be the first player to miss a game because of arachnophobia.

He arrived at the SkyDome on crutches Friday night and did not play the weekend series with the Seattle Mariners because of injuries inflicted during a nightmare about spiders.

The 25-year-old outfielder, while still asleep, sprang out of bed, banged against a wall, then scrambled on his hands and knees up a stairway.

When his wife woke him, he was on the couch. There was blood and marks around the apartment.

"I was dreaming about them and I was trying to get away," said Hill, who suffers from arachnophobia.

Hill was treated in a hospital, then at the ballpark by a trainer. He had cuts on his toes and elbows, and carpet burns on his knees. It was not immediately known how long he would be out of action.

Oh, yes. Last season, teammate David Wells missed a number of games after putting his hand through a glass pane while sleepwalking. *(AP, UPI)*

KANSAS CITY — Put Storm Davis, pitcher, on 15-day disabled list, retroactive to July 7. Recalled Pete Filson, pitcher, from Omaha, American Association.

BASKETBALL

National Basketball Association

PHOENIX — Said it will not pick up option year on contract of Greg Grant, guard.

ROWING

Henley Regatta

Results of Sunday's finals from Henley-on-Thames, England:

Ladies' Plate: Harvard University, U.S., def. University of London, 3 2/3 lengths, 6 minutes, 35 seconds

Silver Goblets and Nickalls' Cup: K. Sinzinger and H. Bauer, Austria, def. M. Cross and T. Foster, 1 foot, 7:39

Visitors' Cup: University of London 'A' def. Goldie, not rowed out, 7:17

Prince Philip Cup: Hansa Dortmund, West Germany, def. Lavaki Spartak, Bulgaria, 4 lengths, 7:27

Henley Prize: Imperial College, London, def. Trinity College, Dublin, 1 1/2 lengths, 7:00

Wyfold Cup: London 'A' def. Notts County 1 1/2 lengths, 7:26

Grand Cup: Hansa Dortmund, West Germany, def. Leander and University of London 2 lengths, 6:56

Queen Mother Cup: Denmark, Denmark, def. ASR Nereus and Skadi, Netherlands, 1/2 length, 7:07

Princess Elizabeth Cup: Eton College def. Westminster School 2/3 length, 6:58

Diamond Sculls: E. Verdonk, New Zealand, def. W. van Belleghem, Belgium, 1/2 length, 8:21

Thames Cup: Notts County def. Harvard University 'A', U.S., 2 lengths, 6:59

Britannia Cup: UC Galway, Ireland, def. Cappoquin, Ireland, 2 lengths, 7:47

Double Sculls Cup: A. Ruskin and A. Kittermaster, Britain, def. M. Alloway and C. Williams, Britain, 1 3/4 lengths, 8:28

Stewards' Cup: Star Club and Leander 'A' def. Star Club and Leander 'B', 4 3/4 lengths, 7:14

GOLF

Final scores Saturday from Monte Carlo Open Golf Tournament played over the 6,197-yard, par-69 Mont Agel course in Monaco:

Ian Woosnam, Wales	63-67-65-63—258
Constantino Rocca, Italy	67-66-67-63—263
Mark Mouland, Wales	69-67-65-69—270
Mark McNulty, Zimbabwe	67-66-66-65—264
Jeff Hawkes, S. Africa	70-66-67-66—269
Mats Lanner, Sweden	68-66-72-63—269
Chris Williams, England	70-70-66-64—270
Seve Ballesteros, Spain	72-66-63-69—270
Juan Arriada, Spain	70-64-69-67—270
David Williams, England	69-71-66-65—271
Hugh Baiocchi, S. Africa	64-69-70-68—271

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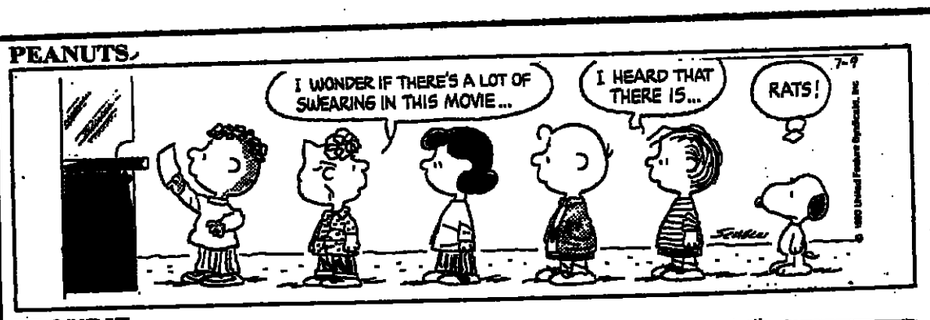
DENNIS THE MENACE

PEANUTS



ANDY CAPP

BLONDIE

WIZARD of ID

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

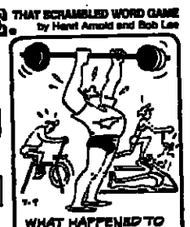
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

POCUE

TYTID

DOUSTI

RETOAT



WHAT HAPPENED TO THE BODY BUILDER'S T-SHIRT WHEN IT WAS OUTGROWN BY HIS TORSO?

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: (Answers tomorrow)

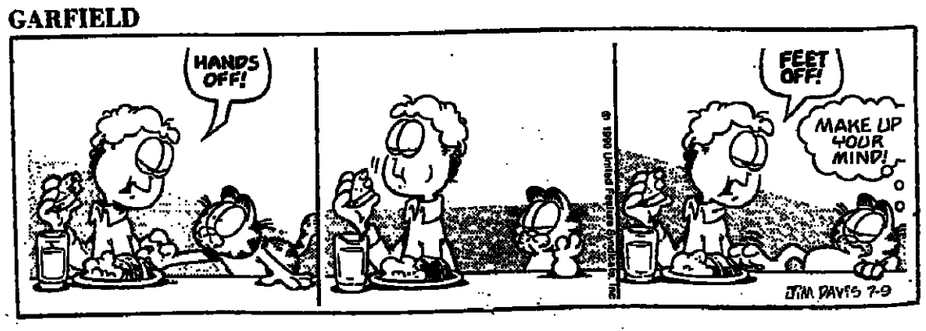
Saturday's Jumbles: CHUTE HAIRY TURTLE SUBURB
Answer: When he tried to date the artist, this is what he got—THE "BRUSH"

BEETLE BAILEY

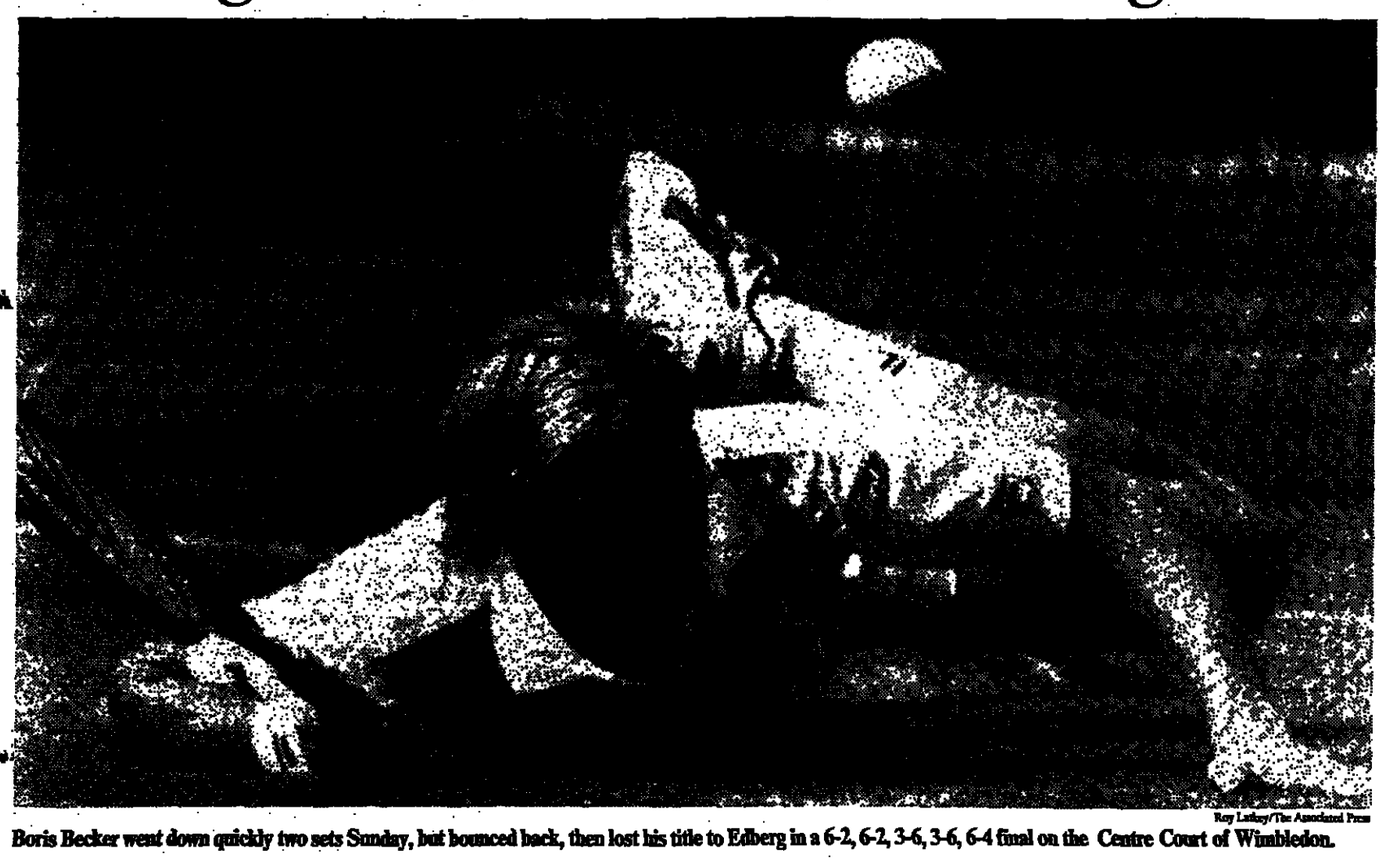
REX MORGAN

DOONESBURY

GARFIELD



Edberg Wins His 2d Title, Defeating Becker in an Epic 5-Set Battle



Ray Lathey/The Associated Press

Boris Becker went down quickly two sets Sunday, but bounced back, then lost his title to Edberg in a 6-2, 6-2, 3-6, 3-6, 6-4 final on the Centre Court of Wimbledon.

The Associated Press

WIMBLEDON, England — Stefan Edberg rode a roller-coaster of great grass-court tennis to a five-set victory over Boris Becker on Sunday and win his second men's championship at Wimbledon.

A service winner completed an epic final on Centre Court, 6-2, 6-2, 3-6, 3-6, 6-4. Edberg rallied from a 1-3 deficit in the final set to win, handing Becker his first loss in a five-set match at the tournament that he calls his second home.

"I feel as good as the first time I won," Edberg said. "That was very special to me. This is very special, too."

It was the first five-set men's championship at Wimbledon since Jimmy Connors beat John McEnroe, 3-6, 6-3, 6-7, 7-6, 6-4, in 1982. It was the third consecutive meeting between the two men for the Wimbledon championship.

It was the first time in nearly 100 years that the same two men had played the final three years in a row. Wilfred Baddeley of Britain and Joshua Pim of Ireland met in four straight finals from 1891 to 1894.

On Sunday, Edberg showed he had toughness to go with his tennis. But the match quickly turned from lop-sided to one for the record books.

Edberg looked invincible and Becker nearly invisible in the first two sets, which were completed in less than an hour.

But Becker, the defending champion and seeking his fourth title in six years, would not give up easily. Edberg did not fold in the middle sets; Becker simply picked up his game and took the momentum.

"Am I disappointed?" Becker said after the match. "Yes and no. When you're 6-2, 6-2 down, you hope maybe to win a set at least. But when you fight back and lead 3-1 in the fifth, then it's disappointing to lose."

It looked as if Becker would become the first man since Henri Cochet rallied to beat Jean Borotra, 4-6, 4-6, 6-3, 6-4, 7-5, in 1927 to come back from a two-set deficit to win.

Instead, he ended up with a 4-1 record in five-set matches at Wimbledon. It was only the second time that Becker had rallied from two sets down to tie before losing; the other loss also was to Edberg, in the French Open semifinals last year.

When the West German broke on a service-return winner to close the fourth set and even the match, then broke for a 3-1 lead in the final set on a double fault that landed well beyond the service line, Edberg's image as a choker loomed.

It was not a choke, though. It was only Edberg clearing his throat. He took a deep breath and broke back on a double-fault and two forehand mistakes by Becker.

WIMBLEDON

THE SCORECARD

	Edb	Bkr
First-serve percentage	65	61
Double faults	6	7
Aces	2	5
Points	137	123
Deuces	6	6
Service lost	4	6
Love games	3	3
Points serving	86	76

"I knew I only had to hold service from there," Becker said. "If it had been 4-1, maybe it would have been a different story."

Edberg held for 3-3 on a long backhand and made it 4-4 on a forehand volley into the corner. Then came the break that made Edberg a winner here for the second time in three years.

The Swede blasted return winners on two of Becker's second serves, then moved to double-break point on a netted forehand volley. He broke on a lob, leaned backwards and did a little dance.

But Becker wasn't finished. He got the first point of the 10th game on a backhand letcord passing shot, but Edberg moved to double-match point on a backhand volley, a service winner and a backhand volley that landed at Becker's feet. Becker saved one match point with a second-serve backhand crosscourt return, but a serve to Becker's forehand could only be popped up.

Edberg watched it curl against the blue sky, and when it landed out he thrust his fists in the air and smiled a champion's smile. He and Becker embraced at the net, then Edberg took off his shirt and heaved it into the stands.

"I really needed to lift myself in the fifth set," Edberg said. "I was very fired up. Maybe that's why I won. I really wanted to win that final set."

Becker sat on his chair, stunned. He had looked so strong, breaking in the third and ninth games of the second set and frustrating Edberg by saving a break point in the second game on two service-return errors by the Swede.

Becker said he felt tired from the start. "I guess the last six matches took a toll of me," he said. "I couldn't move at the beginning. I was slow and tired. When I broke to go 2-0 up in the third set I felt a little better."

From a problem-plagued player in the first two sets, Becker turned into his usually powerful self. In the fourth set, his big weapon was the forehand volley and groundstroke, along with the backhand service return that helped him get back into the match in the third.

As he did in winning last year, Becker was putting pressure on Edberg. He was 0-40 in the first game of the set before Edberg held serve on two backhand volley winners and two Becker errors, then saved a break point himself and held on a forehand crosscourt volley.

Becker broke for 1-2 as Edberg double-faulted and sent a backhand long off a service return.

He held for 3-1, 4-2 and 5-3 on service winners, then broke to tie the match on a backhand crosscourt pass and two return winners.

Navratilova Captures a Record 9th Title

By Robin Finn
New York Times Service

WIMBLEDON, England — She straddled the net to acknowledge a badly beaten opponent and then, her courtside courtesies complete, Martina Navratilova sank down on her sore, old knees for an instant of silent communion with the tennis court she loves best.

Navratilova is 33 and has been transfixed for the last three of them by a compulsion to make history at Wimbledon by winning a record ninth singles championship. She achieved the object of her obsession on Centre Court on Saturday by beating Zina Garrison, 6-4, 6-1.

"There were no glitches this time; everything came up nines," said Navratilova, who had been defeated by Steffi Graf in the finals for the last two years and began plotting a path toward this 1990 final the day after losing in 1989. With the victory, she improved her career singles record here to 99-9.

Navratilova's cause received some unanticipated assistance when Garrison, 26, upset Graf in the semifinals to reach the first Grand Slam final of her career. Navratilova showed her gratitude, though, by dismissing Garrison in two virtually trouble-free sets.

"It would have been more fitting to play Steffi, but at the same time, obviously Zina earned her place there," said Navratilova, who has competed here for 18 years. "The event overtakes the person you end up beating."

Determined not to be overwhelmed by the occasion until she had succeeded in making it the occasion she wanted to remember, Navratilova played more stylishly and wisely than Garrison.

"She was a step ahead of me the whole time," said Garrison, significant flattery from the player generally considered to be the nimblest in women's tennis. Garrison noted that Navratilova, despite the momentous situation, was far from nervous.

Garrison said, "I think if you play somebody and beat them 28 times and they've only beaten you once, I know I'm more relaxed when I play players I've beaten a lot."

She acknowledged that the prospect of appearing on Centre Court for her first Grand Slam final against a woman who had been successful there in eight of her 10 visits was a daunting one.

She said she was not distracted by the presence of Althea Gibson, a two-time Wimbledon champion and the only other black woman to appear in a Wimbledon final, who was in the Royal Box.

"I was really happy Althea was here, but it didn't affect me in any way," said Garrison, adding, however, that her play had been too feeble to worry Navratilova.

"My returning serve wasn't working as well as I would have liked, and you know, she was the most aggressive," she said. "She went out and she went for it; I think I was a tad too laid back."

Garrison said there was never a doubt in her mind that it would require a monumental performance to detour Navratilova.

"I can't even comprehend winning one Wimbledon; it's amazing that someone can do this," she said. "She really believes this is her court and that no one can take it away from her."

THE SCORECARD

	Gar	Nav
First-serve percentage	67	75
Double faults	2	0
Aces	1	1
Points	51	71
Deuces	11	6
Service lost	4	0
Love games	1	3
Points serving	37	38

By adding a ninth silver plate to the eight she began collecting here in 1978, Navratilova broke a record she had shared for the last three years with Helen Wills Moody, the octogenarian who won her eighth and final Wimbledon title in 1938.

"I think people like to see history being made," Navratilova said. "Now I'm going for double digits. As long as the body is willing, I'm willing."

She termed this her toughest Wimbledon, both physically and emotionally. She attributed her resilience in both departments to her coaches: Billie Jean King, who taught her to maintain a healthy attitude toward her tennis, and Craig Kardon, who drilled her technical skills into form.

Navratilova, who has also been prolific in the doubles competition here over the years, is now just three titles from catching King's Wimbledon record of 20.

"We made her rehearse match point every night for the last two months," King said. "I keep thinking this is a dream and I'm going to wake up and find out it hasn't really happened, but knowing Martina, now she's going to go for my record."

Navratilova had not expected to find Garrison's serve as breakable as it was. She achieved her first match point by rifling off two forehands that froze Garrison in her tracks at the net and converted the match point with a full-flung forehand service return that Garrison backhanded out of bounds.

Navratilova's plundering of Garrison's serve was a key to the match: Navratilova capitalized on 4 of her 11 break points against Garrison, who earned just two break points and converted neither.

Ray Lathey/The Associated Press

A teary Martina Navratilova with her ninth silver champion's plate: "Everything came up nines."

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Cards' Manager, Herzog, Resigns

The Associated Press

SAN DIEGO — Even geniuses, it seems, can run out of options.

Whitey Herzog rebuilt the St. Louis Cardinals 10 years ago, turning them into a National League powerhouse without the benefit of power hitting or power pitching.

It was a team built for speed. It was called "Whiteyball," and it was revolutionary, producing three pennants and a World Series championship in the 1980s.

But Herzog could not stomach losing in the 1990s. So he resigned as manager on Friday.

"I made up my mind in San Francisco," he said. "I was totally embarrassed by the way our team played. I just feel very badly for the ballclub, the organization and the fans."

The Cardinals lost a three-game series in San Francisco last weekend by scores of 3-2, 4-0 and 9-2. St. Louis, after Saturday's game in San Diego, was 34-48 and in last place in the National League East, 15 games behind Pittsburgh.

Coach Red Schoendienst, the only man who won more games as the Cardinals' manager than Herzog, replaced him on an interim basis. Herzog, in his 11th year as manager, had 822 victories; Schoendienst won 1,028 games in 12 years in the 1960s, 1970s and briefly in 1980.

"I don't think that I have done a good job as a manager this year," Herzog said. "I just can't get the guys to play and I think anybody could do a better job than me.

"I'm not going to single out any players. My players are all trying. The effort is there, but sometimes I don't know if the minds are there."

"I'm kind of shocked about it," said first baseman Pedro Guerrero. "I feel kind of responsible. I know that I haven't done the job that I did last year at this point."

While Guerrero is signed for next year, several of the Cardinals' stars are eligible for free agency when the season ends. Vince Coleman, Willie McGee and Terry Pendleton are among those whom it will cost the Cardinals big money to keep.

"When Whitey brought up the subject of resigning several weeks ago, we said 'No,'" said the Cardinals' president, Fred Kuhlmann. "But everybody feels it's in the best interests of the team to make a change now."

Tom Kurz/Reuters

Herzog: "I just can't get the guys to play."

The Cardinals won the World Series under Herzog in 1982 and were National League champions in 1985 and 1987.

"I guess in his heart he felt it was time to step down, and maybe somebody else could light a fire under the team," said Nick Leyva, who coached under Herzog and is now manager of the Philadelphia Phillies.

"To me he's a baseball genius," he added. "I've never seen a man who could adjust so quickly. His concentration is unbelievable. His memory is unbelievable. He never forgets a thing. Whitey will be back."

Only Tommy Lasorda, who has managed the Los Angeles Dodgers since 1977, has been with the same team longer than Herzog among active managers.

Team officials gave no indication as to when they would name a permanent replacement. Kuhlmann said that Herzog would remain with the club as a vice president, although the nature of his position was not outlined.

Schoendienst last managed the Cardinals in 1980, taking over briefly for Herzog when he moved from the field to the front office as general manager. Schoendienst played for the Cardinals for 14 years.

Kruk's Singles Lift Phillies Past Reds, 4-3

Compiled by Our Staff From Dispatches

John Kruk knocked in the tying and winning runs with singles as the Phillies rallied to beat the Cincinnati Reds, 4-3, on Sunday in Philadelphia and avoid a four-game sweep.

Kruk, who tied the score in the fifth inning, lined a two-out single to left off Norm Charlton in the seventh, scoring Randy Ready from third with the deciding run. Ready had doubled and gone to third on a wild pitch.

The Reds still reached the All-Star break with the best record in the major leagues, 50-29.

Darrel Akerfelds held the Reds scoreless on one hit and a walk during the final three innings.

The Phillies rallied from a 3-0 deficit with three runs in the fifth off starter Tom Browning. Pinch hitter Jim Vatcher and Len Dykstra walked, and Vatcher scored on Ready's double to left center. Dykstra came home on Tom Herr's chopper to third and Kruk knocked in Ready with a single to left.

Mets 2, Braves 1: Frank Viola became the first pitcher in the National League and the second in the majors to win 13 games this season as New York edged Atlanta. Viola allowed seven hits in 7⅔ innings, striking out three and walking three.

Keith Miller led off the first inning for the Mets with a single and scored on Darryl Strawberry's double. New York made it 2-0 in the second when Daryl Boston opened with a single, went to third on Mackey Sasser's single and scored as Kevin Elster grounded out. Francisco Cabrera doubled in Ron Gant in the fourth for Atlanta's run.

Astros 5, Expos 3: In Montreal, pinch hitter Terry Puhl doubled home two runs in a three-run seventh inning to help Houston snap a seven-game losing streak. The Expos made it 4-3 in the seventh on Junior Noboa's RBI pinch double, but Houston went ahead 5-3 in the ninth when Montreal committed two errors on the same play.

Twins 6, Yankees 3: In New York, Greg Gagne homered and drove in two runs as Minnesota handed New York its 50th loss of the season. Gagne doubled in a run in the third and hit his fifth home run of the season in the sixth.

David West allowed five hits and three runs in six innings for the Twins, struck out six and walked four. He allowed a two-run homer to Mike Blowers in the sixth.

Mariners 6, Blue Jays 3: Matt Young pitched a three-hitter in Toronto and Henry Cotto hit a two-run homer as Seattle ended the Blue Jays' five-game winning streak. Young struck out seven and walked four. The Mariners, leading 2-1, broke open the game with three runs in the second.

Tigers 10, Royals 4: In Detroit, Mark Davis made his first start in three seasons and was retired after he allowed four runs and three hits by the Tigers in 3⅓ innings. John Shelby, Mike Heath and Travis Fryman homered for the Tigers, who split the four-game series.

In games played on Saturday:

Indians 1, Athletics 0: In Cleveland, Bud Black pitched his best game in eight years in the majors, a two-hitter and his second shutout this season. Chris James singled home the only run of the game to hand Oakland its fourth loss in five games.

Third baseman Tom Brookens, who singled during Cleveland's run-scoring fourth inning, preserved the victory with a diving stop of Dave Henderson's bases-loaded grounder in the sixth. Brookens righted himself and threw Henderson out at first to end the inning.

Yankees 5, Twins 4: Roberto Kelly's two-out single in the 12th inning scored Wayne Tolleson from first base to give New York, playing at home, its second straight victory.

Blue Jays 4, Mariners 2: In Toronto, George Bell drove in three runs while Jimmy Key and Duane Ward held Seattle to three hits as Toronto won its fifth straight. Key gave up the three hits, including Jeffrey Leonard's two-run homer in the first, in seven innings.

Royals 4, Tigers 0: In Detroit, Rookie Kevin Appier pitched a one-hitter as Kansas City repaid the Tigers for Jack Morris's one-hitter on Friday. Appier, who allowed only a leadoff single to Lou Whitaker in the first inning, struck out six and walked four in the first complete game and shutout of his major-league career.

Orioles 4, White Sox 1: In Chicago, Tim Hulett tripled in two runs and John Mitchell got his first victory in nearly three years as Baltimore beat Chicago for the first time this season.

Rangers 7, Red Sox 4: Nolan Ryan won his 297th game with 12 strikeouts, and Pete Incaviglia hit two homers as Texas ended Mike Boddicker's 10-game winning streak by beating Boston in Arlington, Texas.

Angels 4, Brewers 3: In Milwaukee, Jack Howell hit a two-out, opposite-field home run in the 11th inning to give California its second extra-inning victory over Milwaukee in as many nights.

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Reds 5, Phillies 0: In Philadelphia, Mariano Duncan drove in two runs as Cincinnati won its third straight game against Philadelphia. Left fielder Billy Hatcher's throw got Lenny Dykstra at home to preserve the shutout in the sixth.

Braves 4, Mets 3: In Atlanta, Jim Presley's homer in the eighth inning snapped a tie. Presley homered over the center-field fence with two outs on a pitch from reliever Jeff Innis.

Expos 3, Astros 1: Spike Owen and Larry Walker hit bases-empty homes as Montreal, playing at home, won its fourth straight. Owen broke a 1-1 tie when he led off the seventh against by hitting a 3-2 pitch over the left-field fence.

Padres 3, Cardinals 1: In San Diego, Bruce Hurst pitched a two-hitter and Jack Clark homered and singled in a run. Clark broke a 1-1 tie in the fifth with a homer off Joe Magrane.

Dodgers 4, Pirates 2: In Los Angeles, Eddie Murray drove in the first three runs with a single and two-run homer. Tim Belcher pitched a seven-hitter to win his second straight complete game and fourth of the season. *(AP, UPI)*

Hawkins Is Sunk, Again

The Associated Press

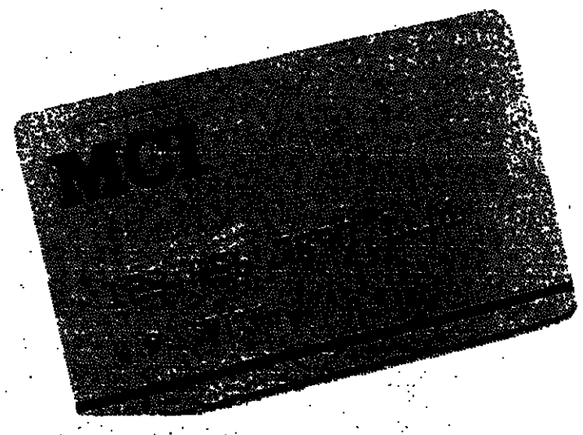
NEW YORK — Andy Hawkins, in his second straight heart-breaking defeat, pitched 11 shutout innings before the Twins scored two runs in the 12th to beat the hapless Yankees, 2-0, in the first game of Friday's doubleheader.

Last Sunday in Chicago, Hawkins became the second major leaguer to lose a complete-game no-hitter when the White Sox scored four runs in the eighth on three errors and two walks.

"If there's any way to transfer the win to his record, I would, given all the things he's been through," said his teammate, second-game winner Dave LaPoint.

After the 11th inning, Hawkins had allowed four singles in 20⅓ innings without a victory to show for it.

BASEBALL ROUNDUP



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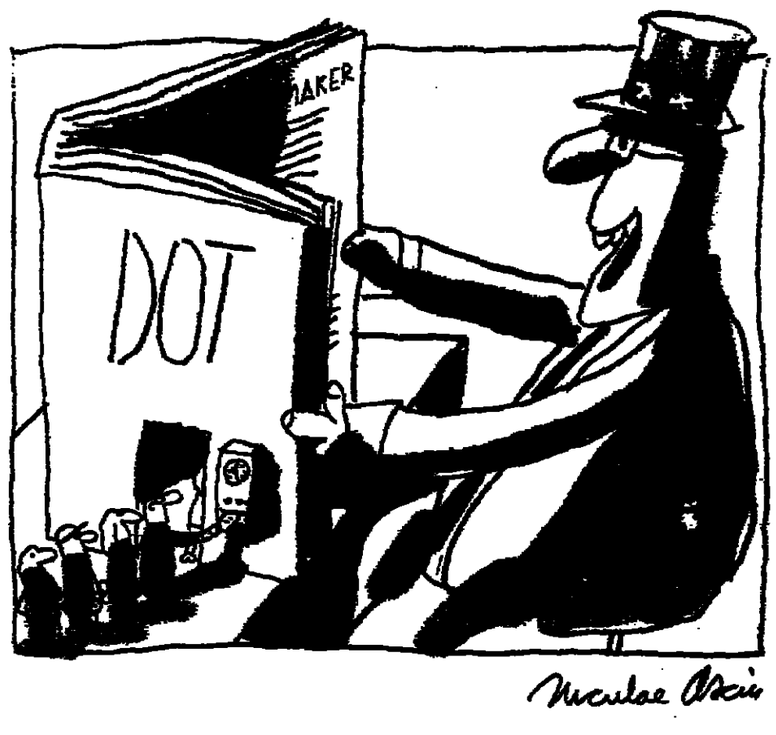
From Abalone Divers to Zyglo Inspectors

By Alan Furst
International Herald Tribune



WORKERS of the world, unite! And so they were united, if not all over the world at least in the U.S.A., and if not exactly united at least marching in procession, from A to Z, from Abalone Diver to Zyglo Inspector, in the U.S. Department of Labor's magnum opus, the "Dictionary of Occupational Titles." Here the Football Scout and the Fortune Teller — sharing, hopefully, a touch of intuitive genius as well as alphabetical kinship — are next-door neighbors, here the Harpist and the Harness Racer stand side by side. These and more — more than 20,000 of them — the Organ Tuner and the Fig Washer, the Upsetter, the Upsetter Helper, and the Upsetter Setter-Up (these last three from the metal-forging industry) may be found, described and analyzed, in one of the most irresistible compendiums ever produced by a governmental agency, or indeed by anyone.

The first edition of the "Dictionary of Occupational Titles," known with some affection as DOT, was produced in 1939 and has never been out of print. Its fourth and most recent edition, in 1977, was the result of 75,000 on-site analyses performed by the occupation analysis field centers of state employment services and supervised by the Division of Occupational Analysis at the U.S. Employment Service in Washington, part of the Employment and Training Administration of the Department of Labor.

The first DOT was a by-product of the state employment systems created in the 1930s, one of many Roosevelt-administration initiatives to aid American workers during the Depression. To help people find work, you had to know what they did and what the job was, so the government set out to define every job in the country and identify it with a number. The system they produced is elegant of its kind: the DOT code, a nine-digit number that encapsulates — with respect to any job you ever heard of and thousands more — *everything*. The first three numbers identify an occupational group (Lawyers or Luggage Repairers), while the final three differentiate a particular occupation from others (Admiralty Lawyers).

But the central section — digits four, five and six — is where the action is; the unvarnished truth, the straight stuff on what folks actually do on weekdays. Those numbers, known as the Occupational Title, refer to Data first, then People, and finally Things. They indicate, on a scale of 0, for the best, to 6, 8 and 7, in their respective categories, the sophistication demanded by a particular job.

Take, for example, the Weather Observer. From the sound of it perhaps a laid-back profession to be envied on those days when blue smoke rises from your telephone and it rains memos, the days when you think *anything, anything but this*. But no, the DOT code says otherwise. Whoever "observes and records weather conditions for use in broadcasting" and "periodically observes general weather, sky and visibility conditions" (so far so good, just open the window) must also, alas, "read barometers and hydrometers, must transmit and receive teletype data from other stations" and "may collect upper-air data on temperature, humidity and winds, using weather balloon and radiosonde equipment, and may also conduct briefings."

The job earns a 267 from the DOT code analysts: a high 2 meaning that data must be analyzed, the lowish 6 requiring speaking or signaling — 5 is persuading, 1 is negotiating — and even at the very lowest level, 7, demands that "things" must be "handled." So, if you're a Greeting Card Editor (067), an Auditor (162), or even an Artificial Glass Eye Maker (261), best crawl out from beneath your desk and face the music.

Not that, with the help of the DOT, you can't dream a little. Would life be better as a Riverboat Captain, a Music Librarian, a Cryptanalyst, Steeple Jack, Comparison Shopper or Goldsmith? Maybe.

But what if it didn't work out, what then? Another job move, perhaps to the garment industry to work as a Collar Turner, a Cuff Creaser or a Fly Setter. Would you have an easier time of it as a Bow-String Maker? As a Bologna Lacer? A Scallop Raker? A Blintze Roller? As a Feather Stitcher, you'd be sewing the feathers of shuttlecocks together by hand, subject to the ups and downs of the badminton business. Or perhaps you want to become a Brain Picker. (Don't ask — suffice to say it is *not* a position in an advertising agency.) None of those? Then it's off to the laundry industry to work as a Bosom Presser, or a Hot-Head-Machine Operator — your turn to be the furious individual responsible for the 2-inch sock. Still not happy? O.K., what you want is the old 159.347-018, Human Projectile, known in former days as the Human Cannonball.

Now, to rewrite your résumé. Or maybe not.

The DOT is a model of good technical writing: clear and concise. For example, this terse anthem to the Fly Tier: "Makes artificial fish flies and lures, using feathers, fur, thread, and fish-hooks, according to prototype design. Clamps fishhook in vise and wraps thread around shank or hook. Pulls feathers or fur from quill or pelt, positions on hook, and wraps in place with thread. Repeats operation to simulate wings, legs, and tail of insect. Wraps thread or colored wire around shank of hook in continuous spirals to form body of insect. Ties and cuts off thread. May brush dope on windings to waterproof and hold them in place."

And on and on, to the Mannekin Wig Maker and the Bowling Alley Detective, the Wreath Inspector and the Weight Guesser, the Car Whacker, the Feather Bonder and the Hammer Driver, the Blaster, the Blocker, the Starcher, the Slimer, and the Panama Hat Smearer, all the way to that Zyglo Inspector — who uses a penetrating fluorescent solution, Zyglo, to detect surface defects in metals.

The DOT is something of a U.S. Government Printing Office best-seller, 360,000 copies of the '77 edition having been sold to date. A fifth edition is planned for 1993, a formidable task, according to Donna Dye at the federal Division of Occupational Analysis. "Because the DOT depends on the on-site interview, it's very costly and time-consuming."

This view is confirmed by Bruce Page, occupational analyst supervisor at the North Carolina Employment Service Commission, where the new edition is being prepared. But Page acknowledges his job is made easier by the extraordinary quality of the material. "It's like," Page says, "Walt Whitman's 'I Hear America Singing.'" Page keeps a list of vanishing job titles; gone is the Bull of the Woods, a timber-industry worker; the Bow Fisherman, who shot fish with bow and arrow, and the man whose job it was to sing to cigarmakers as they worked, to ease the repetitiveness of the task.

Still, the '77 edition is a kind of tribute to a world where people do just about everything, the world of the Rattlesnake Farmer and the Reindeer Rancher, the Queen Producer and the Quail Farmer, the Rose Grader, the Ginseng Farmer and the Goat-Truck Driver, the Mouse Breeder and the Moss Picker, the Nut Sorter and the Wool Sacker, the Worm Picker and his faithful sidekick, the Worm-Bed Attendant.

LANGUAGE

Biannual? A Semiannual Answer

By William Safire

WASHINGTON — At the biannual meeting of the Judson Welliver Society, the association of former White House speechwriters, the Kennedy administration's Ted Sorensen rose to assail my use of *biannual* in the invitation: "This word means 'twice a year,' not 'every two years'; either Mr. Safire has erred and should have said *biennial*, or I have not been invited to all the meetings."

Kill *biannual*; the word causes more confusion than it's worth. If you mean twice a year, or twice a month, use *semiannual*, or *semimonthly*, or better yet, *twice a year, twice a month* — that avoids confusion. If you mean every other year, go with *biennial* as an adjective, or the universally understood *every other year* if you want to avoid having people show up on the right date but the wrong year.

□

Let us not correct ourselves out of fear, but let us never fear to correct ourselves. In that spirit, this farrago of corrections:

In a recent piece about *bogies*, I referred to "Old Scratch," a term for the devil, as a "*scarifier* of children."

This almost intimidated Richard Walsh of Bedford, Massachusetts: "I feel sure that in referring to the bogeyman as a 'scarifier of children,' you were deliberately trying to entrap know-it-alls, but here I go falling for it." He went on bravely to write that the verbs *to scare* and *to scarify* were unconnected.

This was no entrapment or subtle mail pull; it is a mistake I must have been making all my life. Using the *false analogy of horror to horrify*, I assumed that another verb for the noun and verb *scare* was *scarify*. Wrong.

"To *scarify*," writes Carl Mezoff of Stamford, Connecticut, "means 'to make a series of scratches or cuts in the surface of something,' and not, as I assume you had intended, 'to frighten.'"

(Some dictionaries do list *scarify* as a 1794 slang synonym for *scare*, but the standard sense of *scarify* offered by Mezoff dates back to the 16th century.)

He adds that the highway department will use a *machine* to scarify, or rough up, the surface of a road that is being blacktopped. Sheldon Flory of New Lebanon, New York, points out another sense of "to scar ritually," as is done among some African and other tribal peoples.

□

In a tirade leveled at President Mikhail S. Gorbachev in my daily occupation, I denounced him for sending Western *newsmen* out of Lithuania before his economic crackdown.

"I'm one of those female 'newsmen' who was denied permission to stay in Lithuania," writes Alison Mitchell of the Newsday Moscow bureau. "So are Esther B. Fein of The New York Times, Anne Imse of The Associated Press, Penny Fishlock of The Daily Telegraph, Bridget Kendall of the BBC and Pilar Bonat of El Pais.

"Now, I'm not a stickler on getting gender out of language," Mitchell advises. "I don't like *chairpersons and congresspersons* — but it does strike me as unnecessary and even inaccurate to use *newsmen* in such circumstances when there are perfectly good words around like *journalists, reporters* or *correspondents*."

Right; newsmen may be used to refer to male reporters, but leaves uncovered female reporters; the sexist *newshens* has been banned, and the breezy *newsies* belongs in an informal category with *media types*. Using *newsmen* in that instance seemed to assume that only males were on the journalistic job in Lithuania, which is obviously untrue.

Mitchell is one of the reporters who *were* — not *was* — denied permission to stay. When the pronoun *one* is followed by a prepositional phrase *(of the reporters)*, we must decide whether the relative clause (starting with *who*) refers to the one or to the many.

In this case, the Newsday reporter is not seeking to separate herself from the crowd to assert her singularity; on the contrary, she is expressing solidarity with her fellow female journalists, stressing the collective. Since the clause refers to the many, we use the plural verb *were*.

I am one of the newsmen who try not to offend journalists who are female.

□

This is not the place to come for legal advice. Ignore all advice other than grammatical in this space.

In handing out this year's Bloopie Awards to *advertising copywriters*, I decided not to knock the car that Nissan Motors has named "Infiniti," because it was not a misspelling of *infinity*: "the deliberate substitution of a letter makes it possible to copyright the name."

"Your statement bristles with error," thunders Professor Phillip Edward Page of the South Texas College of Law in Houston. "First, copyright law has nothing to do with the case. The protection available, if any, is the legally recognized value of the trademark. Second, misspelling is a merchant's gimmick to catch the eye, but is not in any way required to make the trademark protectable."

From Grand Rapids, Michigan, John E. McGarry points out that "one cannot 'copyright' a name. Copyright is given to the writing of an author under the Copyright Act of 1976. *A name does not qualify as a 'writing' under the Copyright Act.*"

O.K., *the verb* I should have used was *trademark*. What about my notion that a properly spelled word was unlikely to qualify as a trademark?

"Equally erroneous," McGarry says. "Ordinary words can function as trademarks so long as they are not merely descriptive of the goods. The classic example of this is the mark 'Camel' for cigarettes. The term *infinity* does not appear to be descriptive of the Nissan automobile or of a quality of the automobile and thus *could have been used as the trademark.*"

George P. Kramer of Hunton & Williams in New York informs me crisply (all letters from lawyers number the paragraphs; occasionally, an attorney will begin with a more informal "First . . .") that Nissan owns trademark No. 1,478,618 for "Infiniti." Other companies have trademarks registered "Infiniti" for golf clubs and hair-styling mousse.

"Under ordinary circumstances (and there are occasional legal exceptions)," writes the careful Kramer, "you cannot pre-empt an otherwise descriptive or generic word by simply substituting a letter. *Strawberry* cannot be monopolized if you misspell it as 'strawberri.'"

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